

Dominant 'Gro' fails in her greatest quest

But the departure of Norway's feisty premier will leave a vacuum, writes Hugh Carnegy

Brundtland 'long shot' for UN post

No politician has dominated power in Norway like Mrs Gro Harlem Brundtland, who announced yesterday her decision to step down as prime minister.

Her feisty - and latterly regal - style invited comparisons with Britain's Mrs Margaret Thatcher, although they were ideological opponents and said to dislike one another.

Mrs Brundtland, 57, became leader of the Labour party and prime minister in 1981. She has been premier for all but one year since May 1989 - and has won respect beyond party lines.

Her departure will leave a vacuum that her successor, Mr Thorbjørn Jagland, will surely find hard to fill. But it is unlikely to cause any serious upset in the world's second largest oil exporter after Saudi Arabia.

The black bounty from the North Sea has made Norway one of Europe's richest nations.

The economy - at least for the time being - is so strong that Norway has easily shrugged off any potential ill-effects from its refusal two years ago to join the European Union - a rejection that counts as Mrs Brundtland's biggest political failure.

Mr Jagland, 36, who has been chairman of the Labour party for the past four years, will step up easily, and unopposed within the party, to the prime minister's office. The deep divisions within the opposition parties means Labour is set to continue in office until next year's general election, despite being in a minority in the Storting (parliament).

But Mrs Brundtland's resignation does mark the end of an era. As the country's first woman head of government, she led a drive by women in Scandinavia countries to achieve near equality in parliamentary and government positions - a record still unmatched elsewhere in the world.

She put the environment in the front line of politics, achieving an international profile as leader of the UN's world environmental commission, though her green credentials were damaged in recent years when she allowed Norwegian whalers to resume whaling in the Barents Sea, in defiance of the International Whaling Commission.

market-oriented economic policies and, when the economy began to pick up, oversaw a tight fiscal policy that means she bequeaths Mr Jagland a budget surplus that is the envy of many EU members struggling against big deficits.



Mrs Gro Harlem Brundtland put the environment in the front line of politics

Gro, as she is always called in Norway, steered the country through a severe economic shock in the late 1980s, prompted by a sharp fall in oil prices.

She shifted Labour firmly rightwards to embrace more market-oriented economic policies and, when the economy began to pick up, oversaw a tight fiscal policy that means she bequeaths Mr Jagland a budget surplus that is the envy of many EU members struggling against big deficits.

But for all her successes, Mrs Brundtland failed in her greatest political quest. She was determined to reverse a 1972 referendum decision that Norway should stay out of the then European Com-

mon Market. When neighbouring Finland and Sweden decided to apply for EU membership in the early 1990s, Mrs Brundtland argued that for all its oil wealth, Norway could not afford to be isolated from the European mainstream.

The electorate disagreed - more than 52 per cent voted in November 1994 to reject membership, almost the same as in 1972, just weeks after Finland and Sweden had voted to go in.

Mrs Brundtland's leadership - and the minority Labour government - were barely ruffled by the rebuff, however. The deep divisions between the vehemently anti-EU Centre party and the pro-EU Conservative party, former partners in centre-right coalition governments, ensured Labour could continue in office unchallenged.

That remains the case today, allowing Labour the luxury of arranging Mr Jagland's succession without serious disruption a year ahead of the next general election.

Mr Jagland, a career party activist, is a more vocal advocate of traditional Labour policies of wealth distribution than Mrs Brund-

tland. He has not held a ministerial post, concentrating on the party.

"Some people feel he is more to the left than Gro because of his rhetoric," says Mr Henry Valen, a political scientist at Oslo's Institute of Social Studies. "But in terms of policy I think he will be very similar."

Mr Jagland is committed to maintaining a tight fiscal stance to prevent any overheating in the economy - and to continue to generate surpluses which are being invested against the day that oil revenues start to decline.

Within 15 years, Norway could find itself in difficulties as oil income falls and big state pension commitments fall due. Then, the weakness of its offshore economy will be exposed.

That remains on the far political horizon. In the meantime, Mr Jagland is highly unlikely to seek to raise the issue of EU membership again.

"There is absolutely no hope that you can do anything about that, another referendum would just produce the same result," says Mr Valen. "Only an idiot would try."

Diplomats in New York said last night that Mrs Gro Harlem Brundtland who stepped down as Norwegian prime minister yesterday, had to be considered a very long shot for the position of United Nations secretary-general, writes Michael Littlejohns, UN Correspondent in New York.

Mrs Brundtland has paid frequent visits to the UN in recent months, prompting speculation about her intentions, but she has always brushed aside speculation linking her with the post.

Mr Boutros Boutros Ghali, the UN secretary general, has maintained warm relations with Norway, which backs his agenda for third world development. Diplomats said it appeared unlikely that she would stand unless it was clear that Mr Boutros Ghali had no chance of reappointment.

One Arab ambassador, a supporter of Mr Boutros Ghali, said the US would oppose her. "They may not like the incumbent, but he's a pussy cat compared to her. She is a very tough, independent-minded lady."

The Security Council is expected to meet to discuss the post next month.

Uproar over Russian tax blacklist

By Chrystia Freeland and John Thornhill in Moscow

Russian companies threatened with bankruptcy for not paying taxes yesterday attacked the government for its tough new approach, as Moscow's budget wars intensified.

The enterprises on the government's blacklist, which includes some of the most famous names in Russian industry, accused the Kremlin of everything from suffocating the country's economy with taxes, to simple accounting errors.

But the government, which yesterday told four companies to pay overdue taxes or face bankruptcy, was unbowed, telling parliament that tax collection was the number one priority.

"We have reached a moment of truth - either we collect taxes now or we do not collect them at all," Mr Alexander Livshits, the minister of finance, told a stormy session of parliament.

Mr Livshits said that in the first nine months of this year the government had collected only 71.3 per cent or Rbl172,900bn (\$31.70bn) of budgeted revenue.

He said that shortfall had forced deep cuts in expenditures, which had been held down to just 74.6 per cent of planned levels, a reduction which has provoked mounting protests from unpaid government employees including soldiers, doctors and school-teachers.

The legislature, which heard a trade union chief's plans for a national general strike on November 5 before listening to the minister of finance, voiced disgruntlement with the tightening fiscal squeeze in a non-binding resolution which condemned the government.

"The financial system of Russia is functioning in an unstable, extremist way,"

the critique, which won unanimous backing, said. "The clampdown on inflation is carried out against a background of falling gross domestic product and investment and the worsening of companies' financial situations which is deepening the crisis further."

In a verdict shared with western financial institutions, the Russian government has identified lobby tax collection as the chief source of economic woes. To break the national tradition of not paying taxes, the government has taken the dramatic step of warning four major companies, including Kamaz, Russia's leading truck-maker, and AZLK, the Moscow producer of the Moskvich car, that they will face bankruptcy proceedings if they do not pay their tax bills.

Kamaz responded by accusing Moscow of an accounting error. "Kamaz fell into that list by mistake," a spokesman told the Russian news agency Interfax, saying the government had failed to take into account state orders for Kamaz trucks.

Two other enterprises on the list, the Achinsk Alumina Factory in Siberia and the Krasnodarnefteorgsintez refinery, in southern Russia, warned that if they are closed the cities in which they are based will lose their sole employers.

Western and Russian economists said the move could offer an immediate boost to Moscow's tax collection drive, but that it was not enough to solve underlying flaws in the tax system.

Mr Vladimir Kononov, chief economist of the World Bank mission in Moscow, said the measure "is clearly important but it will not be the saviour. To crack the tax revenue problem will take more than bankruptcy, you have to work it out on many different levels."

'Slimline' EU treaty drafted

A group of legal experts yesterday presented the European Parliament with a new slimline version of all treaties governing the European Union, Lionel Barber writes from Brussels.

The draft treaty would scrap 759 articles in favour of a consolidated text of 512 articles which is intended to be more readable and accessible to the ordinary citizen.

The draft treaty is the work of legal and constitutional experts at the Robert Schuman centre at the European University in Florence, co-ordinated by Mr Claus Ehlermann, the former top civil servant in charge of competition policy at the European Commission.

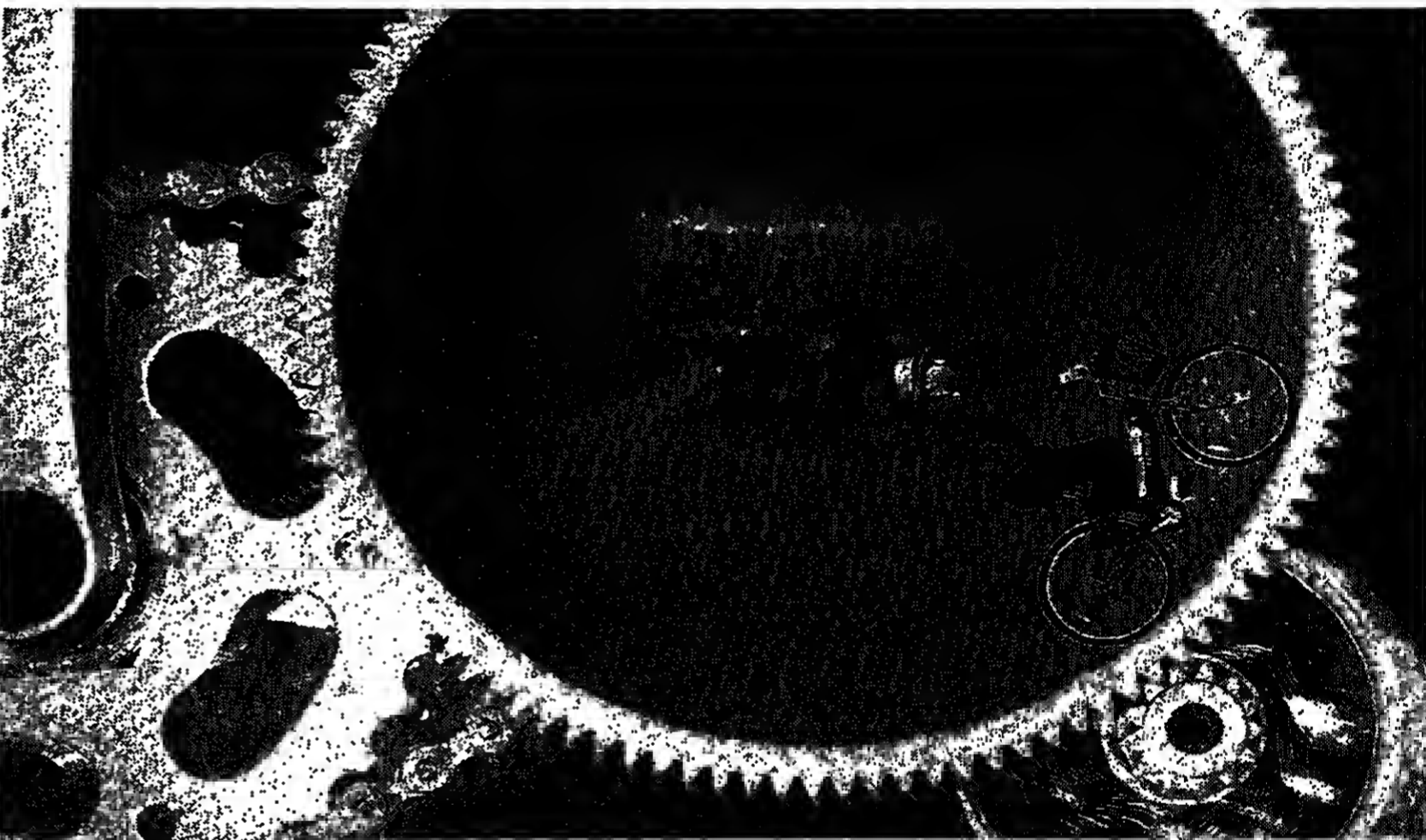
It is the first time such an integrated text has appeared, and should complement similar efforts under way in the

Maastricht treaty review conference (IGC). EU leaders agreed last June that an urgent need existed for rationalisation of EU treaties which cover the original European Steel and Coal Community, the European Atomic Energy Community, the treaty of Rome, the single European Act, Maastricht, and other lesser known texts which have been stuck together in an ad hoc fashion over more than 40 years.

Many observers complained the 1991 Maastricht treaty was incomprehensible to the public, and one British cabinet minister boasted he had never read the text.

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Mercosur trade group under fire

By Guy de Jonquieres

Mercosur, the four-nation Latin American trade grouping, is seriously distorting international trade flows, handicapping member economies' performance and discriminating against other countries' exports, according to a World Bank study.

"These findings appear to constitute the most convincing, and disturbing, evidence produced thus far concerning the potential adverse effects of regional trade arrangements," the study says. It calls the findings a "smoking gun", which shows such arrangements can be economically harmful.

The unpublished study, by Mr Alexander Yeats, principal economist in the World Bank's international trade division, is expected to prove controversial with Mercosur's members - Argentina, Brazil, Paraguay and Uruguay.

The findings may also reinforce the World Trade Organisation's efforts to tighten its disciplines on regional free trade pacts. Trade experts fear such pacts could undermine multilateral principles by fragmenting the global economy into "discriminatory trade blocs. More than 100 regional groupings have been formed, and almost all WTO members belong to at least one. WTO ministers are expected to discuss the need for stronger rules when they meet in Singapore in December.

Mr Yeats says Mercosur's members have artificially diverted trade flows by maintaining much higher tariffs and non-tariff barriers on imports from third countries than they impose on trade with each other.

He says that, as well as

penalising exporters in other countries, these preferential arrangements are causing producers in Mercosur economies to concentrate on selling in each other's markets products which are not internationally competitive.

Since Mercosur was set up in 1991 trade between its members has grown strongly, while their exports to many other important markets have stagnated or declined.

Mr Yeats' study finds intra-Mercosur trade has expanded most rapidly in capital-intensive products, such as vehicles and machinery, which are heavily protected against imports from outside the grouping. Furthermore, Mercosur's members have had little success selling most of these products on third markets.

"The evidence suggests that Mercosur is becoming less, rather than more, internationally competitive in products where trade is most rapidly reorienting towards the region," the study says. "Quite obviously, this has detrimental effects on third country suppliers."

The study argues that Mercosur economies are also suffering, because continued protection from international competition gives producers inside the grouping no incentive to become more efficient.

It says motor vehicles, which are sheltered by external tariffs of as much as 70 per cent, exemplify the problem. Although intra-Mercosur trade in vehicles more than doubled between 1990 and 1994, independent analyses have found those produced inside the grouping to be more expensive and of much poorer quality than vehicles made elsewhere. Editorial Comment, Page 13

Intra-Mercosur trade



EnerTel and BT win Dutch phone licences

By Gordon Cramb in Amsterdam

The Dutch government yesterday selected two groups to provide fixed-line telecommunications services which will bring the first direct competition to KPN, the privatised monopoly.

The transport ministry said licences would be awarded to Telfort, a joint venture between BT and the Dutch national railways, and EnerTel, which groups regional energy companies and providers of cable television.

The decision is a blow for Global One, a leading international alliance in the industry, which was a third applicant for a national licence. Global One links France Telecom and Sprint of the US with Deutsche Telekom, the German utility in which shares are about to be floated. The ministry said it "did not meet the legal minimum requirements in one area", which officials declined to specify.

EnerTel, whose international partner is Northern Telecom of Canada, has also been developing an infrastructure.

One reason for the rejection of Global One is thought to be that it had least to offer in terms of an established network. The Netherlands, in spite of a population of only 15.5m people, has a telecoms market estimated by Telfort at some \$15bn a year, Europe's sixth biggest.

The tie-up between BT and NS Telecom is already offering business users international connections through the Concert system developed with MCI, BT's US part-

ner. Telfort is now to invest \$1bn in broadening its service through a fibre optic network which NS is laying along its tracks.

This will allow it to provide rented lines when the full liberalisation of the market takes effect from next July. The government also has more than 1,300 regional licences on offer for voice telephony.

Several regulatory issues remain to be resolved, however, in particular those governing interconnection of calls between rival services. Prices which KPN would charge its competitors for this have not yet been set.

Also unclear is whether customers who change their regular supplier would be able to keep the same telephone number, and how many extra digits would need to be dialled by those wanting on occasion to use another company.

Mr Koos van der Meulen, Telfort managing director, said yesterday: "We would like to see equal access, so if you pick up the phone you just select one, two or three." This is similar to the system being instituted in France, but more complex codes apply in other deregulated markets.

A further problem for the ministry is the involvement of KPN in the cable TV sector. The company owns 77 per cent of Casema, the country's biggest cable provider and a participant in EnerTel. Mrs Annemarie Jorritsma, transport minister, said this week it was not enough for KPN to deconsolidate the business from its group accounts and appoint a separate supervisory board.

Bigger must be better, say cruise operators

With the 250,000 ton ship only three years away, Scheherazade Daneshkhu examines where the cruise industry is headed

The 100,000 ton Carnival Destiny today begins a brief spell of fame as the world's largest cruise ship. Even as the \$400m ship was being named in Venice, yet bigger ships are planned as cruise companies compete to build ever more cost-effective ships.

The Carnival Destiny boasts the world's largest floating casino, four pools, seven restaurants and a 1,500-seat theatre. From its base in Miami it will take 3,400 passengers on week-long cruises around the Caribbean. It breaks the cruise ship record held by Princess Cruises, part of the UK's P&O shipping group, whose 77,000 ton Sun Princess was launched last year. But Princess Cruises will retake the record in 1998 with the 104,000 ton Grand Princess.

Both companies will be overtaken in 1999 when Seattle-based Westin Hotels launches the \$1.2bn America World City. At 250,000 tons and with 8,600 passengers and crew, it will be more than twice the size of today's largest cruise ships.

The trend towards ever bigger ships is driven by economies of scale which make large ships increasingly cost-effective in catering for the demands of a rapidly-growing industry.

The number of passengers in North America, which accounts for three-quarters of the total cruise market, has risen from 3.5m in 1990 to just under 5m this year. In Europe, the second largest market, passenger numbers have doubled from 530,000 to more than 1m at the same time.

Gone are the days of seafaring cruise liners; many of today's ships offer a mass-market alternative to traditional land-based holidays, although niche operators such as Cunard remain in the luxury market.

The typical passenger today begins the cruise by flying to a destination such as the Caribbean or Mediterranean, often choosing to combine one week on land with a one week regional cruise.

Mr Michael Muller, managing director for Europe at Carnival Cruise Lines, which owns the Carnival Destiny, says its ships are destinations in themselves: "We do not compete with other

cruise lines; we compete with land-based resorts. These ships are floating resorts with every facility you would find on land."

Westin's ship will bear an even stronger resemblance to a floating hotel. Three-quarters of its rooms will be contained in three hotel towers rising eight storeys above the main deck. It will also have four 400-seat high-speed boats to ferry passengers ashore.

Mr Peter Wild, managing director of GP Wild (International), the UK-based cruise consultants, believes the ship may be too large, leading to diseconomies of scale. But Mr Juergen Bartels, chairman and chief executive of Westin Hotels, is confident the ship will have high occupancy all year by targeting conferences, incentive travel, and the resort market as well as the traditional cruise market.

The cruise industry has expanded from its traditional base of middle-aged couples to appeal to younger travellers, with prices and facilities which compete with land-based holidays.

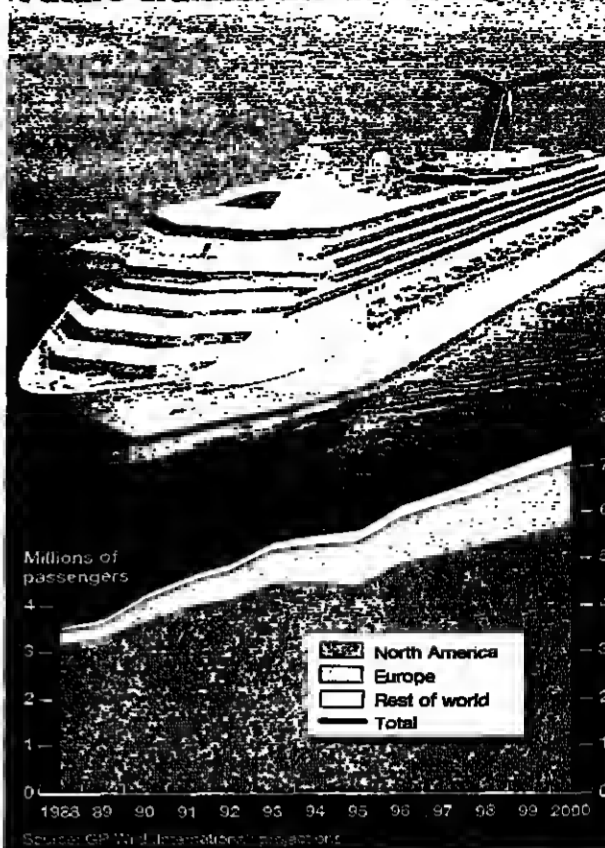
The new ships usually include large play areas and fun pools for children, health and fitness clubs for younger adults and more informal restaurants and bars. Mr Muller says that passengers' average age on Carnival Cruise Lines is 40, with families accounting for almost 20 per cent of customers.

In the UK too - the second largest cruise market - more than half those on a cruise last year were cruising for the first time, helped by the entry of Airtours and Thomson, the mass market package holiday companies, into the cruise market.

But there are signs that the 30 ships currently on order might lead to an oversupply.

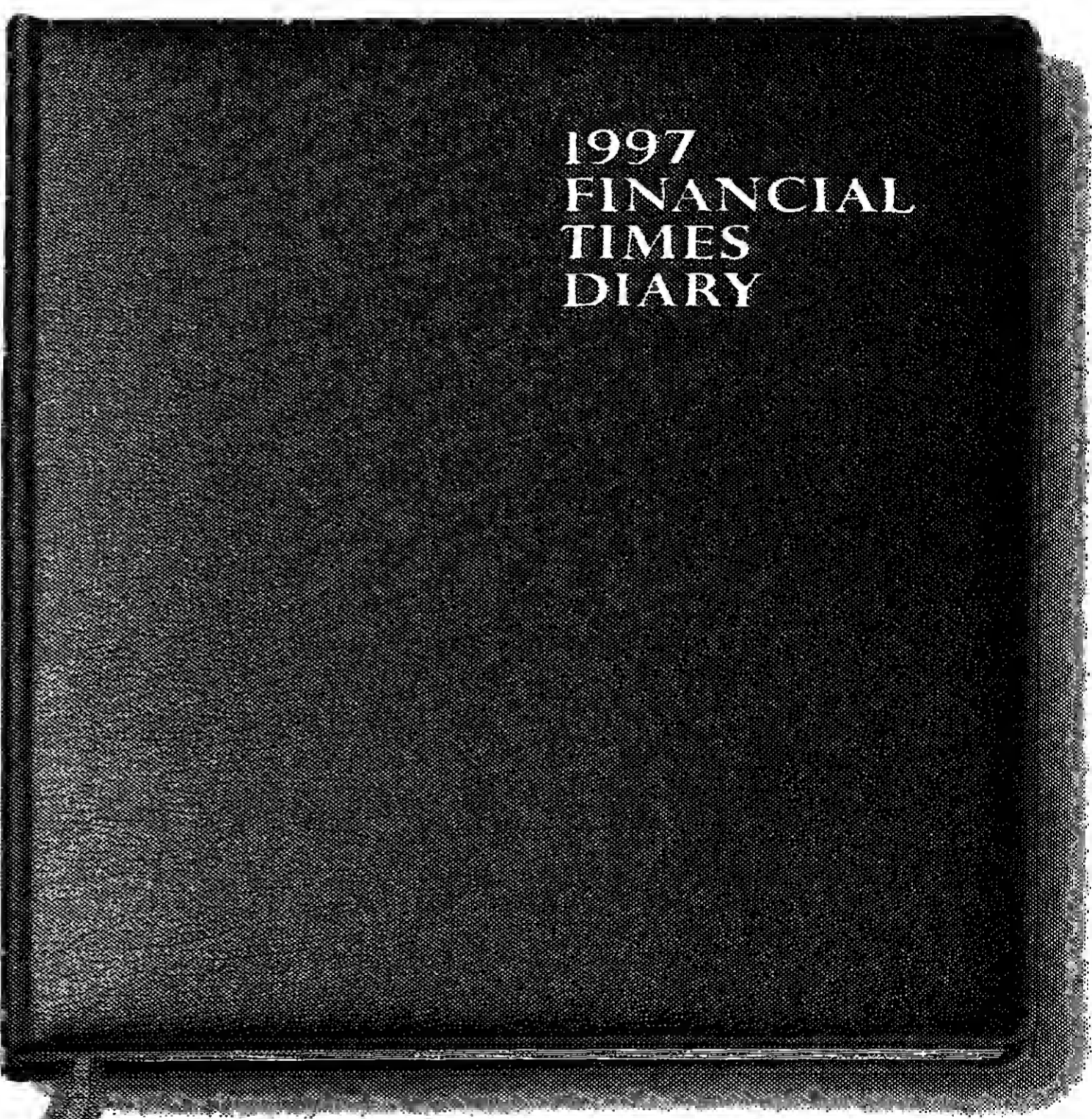
Mr Wild believes that as a result the cruise market will be increasingly characterised by winners and losers in the next few years. "Heavy discounting and a downward pressure on rates would seem probable with survival depending increasingly on effective marketing, control of costs, improved efficiency and the maximisation of marginal revenues," he says. "1998 is likely to be a watershed for the industry."

Future cruises: the demand grows



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Chirac renews plea on Mideast role

By Judy Dempsey in Jerusalem and Alexandria Capote in London

Mr Jacques Chirac, the French president, yesterday renewed his plea for the European Union to play a greater political role in the Middle East peace talks, saying it should match its economic commitment in the region.

Speaking to the Palestinian legislature in the West Bank town of Ramallah - the first time a foreign head of state has addressed the assembly - Mr Chirac said the EU could become a co-sponsor of the peace talks.

However, Mr Dick Spring, the foreign minister of Ireland which currently holds the EU presidency, yesterday ruled out any direct EU involvement in the peace talks, signalling clear differences within the EU

about its political role in the region. "We do not consider it wise to have another negotiator," Mr Spring told a news conference at the European Parliament in Strasbourg. "They [the peace talks] are at a delicate phase," he added. The EU will discuss plans to send an envoy to the region at a meeting in Luxembourg next Monday.

Mr Malcolm Rifkind, the UK foreign secretary, who will be visiting the region at the end of next week, yesterday warned that competition for influence between the US and Europe would be of little benefit to any of the parties

involved. Mediators should be careful not to be played off against each other by the different parties.

He welcomed the French contribution to the peace efforts, but emphasised that only by a single international effort could anything constructive be achieved. "We don't indulge in megaphone diplomacy," he said in reference to Mr Chirac's visit. "Our role is less colourful, less dramatic, less romantic than others."

Mr Rifkind has made plain that that he will bring a message of strong concern over the stalling of the peace process, and in particular

about "the lack of movement by the Israeli government."

He said he attached great importance to his visit to Gaza and would consider "making representations" to Israel about the severe economic and social consequences of its restrictions on the movement of Gaza residents.

Palestinian officials and Arab states are enthusiastic about the EU playing a greater role, believing it would act as a counterweight to the US which is seen as partial to Israeli interests.

The US would not comment yesterday on Mr Chirac's speech, but said Mr Dennis Ross, the US Middle East co-ordinator, was making "significant progress" in peace talks between Israeli and Palestinian negotiators.

But Israeli and Palestinian negotiators acknowledge the intense hatred and tension in Hebron where the 415 Jewish settlers living in the centre of the city earlier this week threatened to use automatic weapons against Palestinians if Israeli troops were redeployed, while Palestinian officials want the settlers to have their movements restricted, fearing any clash could completely unravel the peace process.

Zairean clashes fuel fear of war

By Michela Wrong in Nairobi

The possibility of an ethnic war in Africa's Great Lakes region, pitting Hutus from Rwanda, Burundi and Zaire against Tutsis from those three countries was yesterday beginning to look increasingly plausible as fighting raged in east Zaire.

As 30,000 refugees from a camp near the Zaire frontier town of Bukavu joined the estimated 250,000 Hutus already fleeing fighting further south between the Zairean army and members of the Ecuwamulenge Tutsi community, Kinshasa accused neighbouring Rwanda and Burundi of playing a significant role in the conflict.

A government spokesman told journalists after an emergency cabinet meeting in Kinshasa that 1,700 soldiers from the two countries' Tutsi-dominated armies had attacked in the south Kivu region, while Rwandan soldiers had also staged strikes in north Kivu, only to be repulsed by the army.

The infiltration claims, which echoed what some aid workers had reported, were dismissed by the Rwandan government, which said it wanted "good neighbourly relations" with Zaire and had no plans to go to war with other countries.

The condition of Zairean President Mobutu Sese Seko, convalescing from prostate surgery in Switzerland, is acting as a catalyst.

The president yesterday sent a message home saying the protection of national unity would be the government's priority. But his prolonged absence has created a power vacuum many in the Great Lakes region are exploiting.

Aid workers warned yesterday of a humanitarian crisis, saying supply routes had been cut and there were only enough rations in Bukavu, which expects to take the brunt of the exodus, to last another three days.

UN plan to boost African growth

By Antony Goldman in London

Stung by persistent criticism over its performance during the past two decades, the United Nations Industrial Development Organisation (Unido) yesterday launched a multi-agency initiative which will constitute "a radical new approach to resolving the continent's poor record of industrial growth".

At a ceremony in Abidjan, Ivory Coast, businessmen, ministers and a handful of heads of states heard plans for the establishment of a new, African-led, partnership to include international agencies, donors and the private sector. Its purpose is to transform the process of industrialisation on the continent.

Advocates of the Alliance for Africa's Industrialisation argue that only by developing vibrant, urban industrial economies will Africa stem its increasing marginalisation from the international economy and address endemic poverty.

"We are conscious of the tremendous effort required... to overcome the obstacles in our path," said Mr Henri Konan Bedie, president of the Ivory Coast.

The 50 countries of sub-Saharan Africa's share of global manufactured output amounted to just 0.3 per cent last year, down from 0.8 per cent in 1975. There has been a similar decline in foreign investment.

Under the new alliance, projects will not be imposed externally, but fully owned and implemented by African countries.

Separate agencies are now committing themselves to work together under a single umbrella, combining resources on compatible strategies.

South Africa, the continent's only significant industrial power, stayed away from the Abidjan ceremony.

Netanyahu faces \$40bn pensions poser

Generous retirement benefits present a hurdle to cutting Israel's budget deficit

Mr Dan Meridor, the Israeli finance minister, had his way, he would seek much deeper cuts in the 1997 budget which he will present to the Knesset next week.

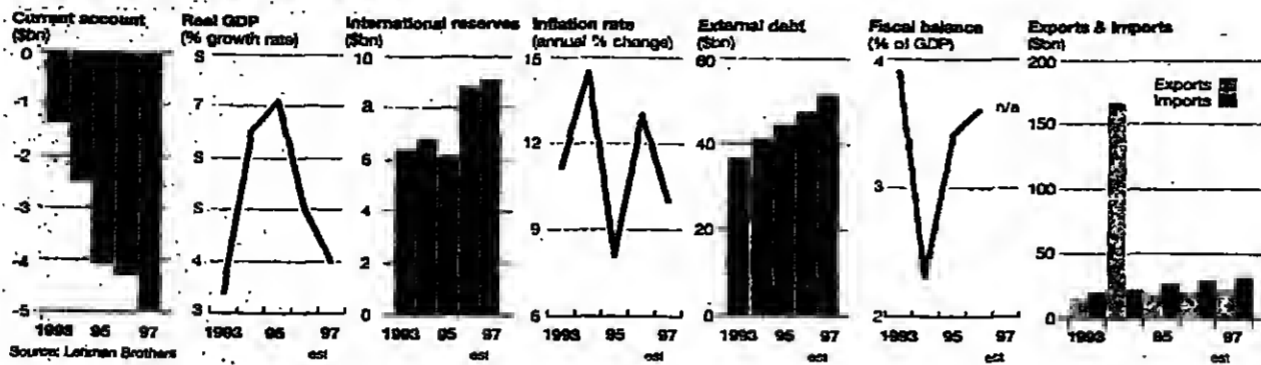
Instead of planning a Shk4.9bn (\$1.5bn) reduction in government expenditure in an attempt to contain a deficit nearing 4 per cent of gross domestic product, he would like to cut much further, reducing the deficit to 2.8 per cent of GDP.

But Mr Meridor and Mr David Brodet, director general at the finance ministry, would also raise reform of Israel's pension scheme, considered one of the largest burdens on public expenditure.

"Such a reform is long overdue. But it is doubtful it would gain any political support," said Mr Gad Haker, analyst at Batucha securities. "There are too many vested interests at stake." Those interests include Histadrut, the 700,000-strong socialist-inclined trade union organisation, and the public sector.

Since Histadrut was founded in the 1950s, its members have enjoyed high pension benefits. On retirement, they are granted either 70 per cent of their last year's working salary,

Israel: economic outlook



regardless of contributions made over the years, or a large percentage of the national average salary. Moreover, members are dissuaded from joining the Histadrut pension scheme in the early stages of employment, a trend which analysts believe inhibits savings and fuels consumption.

"There are no benefits to be gained from entering the scheme in the early years of employment," said Mr Yishai Ashlag, an analyst at the Institute for Advanced Strategic and Political Studies in Jerusalem. "The contributions avoided in one's early years are larger than the value of the entitlements lost; late-joining members pay less for the entitlements

they obtain," he added.

Until now, Histadrut has been able to cover this deficit with some of the pension contributions. But more importantly, that deficit has been paid by the taxpayer through a long-standing agreement between the union and the government whereby Histadrut's pension funds are invested in designated, non-tradeable, government bonds yielding close to 5 per cent - way above the current market rates of about 3 per cent.

"This subsidy cushions Histadrut. If you take away those non-risk, non-tradeable bonds the union has an annual deficit of at least Shk1bn which will increase to Shk3bn," said Mr Ashlag.

In a recent report by Mr Brodet, the finance ministry proposed reforming this subsidy by shifting 30 per cent of the pension funds away from subsidised government bonds to the capital markets. This could open up the capital markets to pension funds, particularly if the subsidised bonds were phased out. It could serve also as a catalyst for a thorough reform of the pension system.

But Mr Ashlag believes the unions would oppose any reforms. "They do not want risk, transparency, or a loss of their privileges," he said. Indeed, this week, Mr Amir Peretz, chairman of Histadrut, told the Knesset finance committee he would

block any changes, warning the government "it could encounter problems". Last July, Mr Peretz brought out his members on to the streets in protest against economic reforms being considered by Mr Benjamin Netanyahu, the prime minister and head of the conservative Likud-led coalition government.

The finance ministry can expect just as much resistance from the public sector. Under the present system, the public sector does not contribute to a pension fund on the grounds that it employees are paid less than the private sector. The result is that the government pays out pension contributions - often similar to Histadrut's

benefits - totalling 10 per cent of GDP. GDP is currently \$94.5bn.

Mr Zev Golan, associate director of the Institute for Advanced Strategic and Political Studies, believes the pensions deficit will rise to \$40bn over the next 10 and 20 years.

Under pressure from the finance ministry, the Likud government is being urged to reduce pension entitlements by raising women's retirement age, reducing members' entitlements and establishing pension plans for new members which would guarantee no more than the average salary. None of these recommendations has been welcomed by either the unions or the government.

"We are still living in a socialist climate where the state and not the individual is supposed to take responsibility," said Mr Golan.

"I am not so sure Likud will make a clean break with the past despite its commitment to reform. Bureaucracy and inertia is blocking radical change. Future generations and governments will have to pick up the bill. Passing on such problems is a definition of irresponsible government."

Judy Dempsey



Scitography of a cardiac muscle (center). © CNRI - Pierre Boris

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NEWS: UK

Popular businessman killed in air crash

By Patrick Harverson and Jim Kelly

Insurance, broking and soccer circles yesterday mourned Mr Matthew Harding, the millionaire businessman and vice chairman of Chelsea Football Club, who died with four other men in a helicopter crash in Cheshire, north-west England.

Mr Harding, aged 42, was returning from watching a soccer match between Chelsea and Bolton Wanderers on Tuesday night when the helicopter he was travelling in crashed into woods and exploded. The pilot and three business associates died with Mr Harding. Investigators were unable to say what caused the crash, but weather conditions were reported to have been poor because of thick fog.

Mr Harding, a reinsurance broker, was vice chairman and co-owner of Chelsea, the west London, premier league soccer club he had supported since childhood.

Last month it was revealed he had given the opposition Labour party £1m. (\$1.56m).

He had been chairman of

The Eurocopter Twin Squirrel in which Mr Matthew Harding and four associates were killed was said by aviation experts yesterday to have established a good safety record, John Griffiths writes. Produced in France under a joint venture between Aerospatiale and Bolkow of Germany, Eurocopters have been flying for 15 years, with their users including British police forces.

The Squirrel's good safety record was underlined only this month with the announcement that 38 of the aircraft - albeit single-engine versions - are to be purchased for use under a £400m (\$624.00m) Ministry of Defence contract.

the Benfield Group since 1988 when he led a management buy-out of the small reinsurance broker. By the mid-1990s he had built the business into one of the industry's most profitable companies and accumulated a personal fortune estimated at £170m, making him one of Britain's richest men. He was known as an innovator in the sector, where he introduced modern communication systems to broking and attacked many of the traditional business practices of the London market.

Mr David Rowland, chairman of Lloyd's said: "Matthew Harding epitomised the entrepreneurial vigour typical of Lloyd's and the London insurance market."

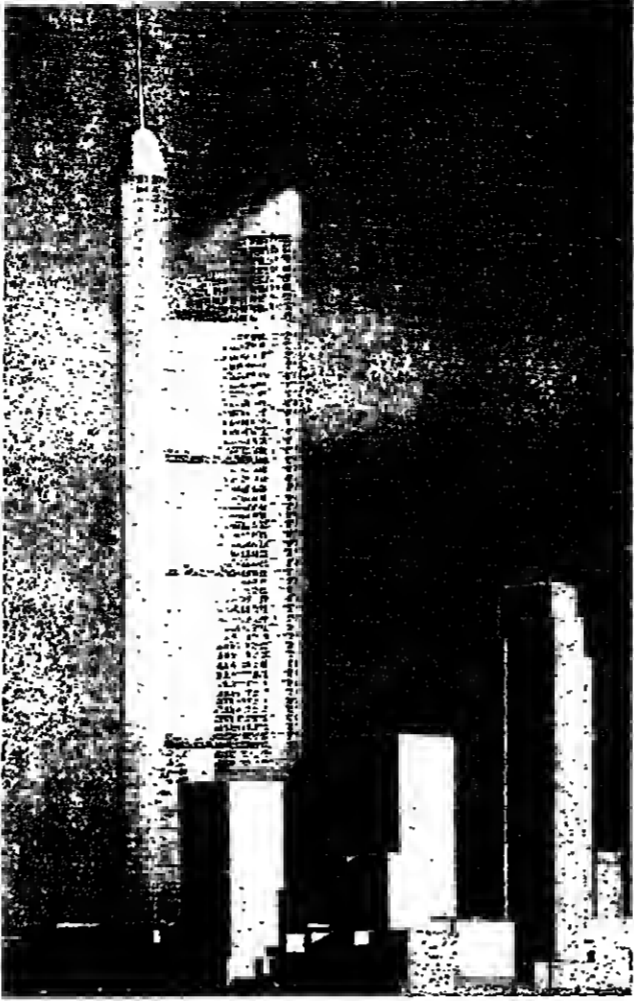
Shares in Chelsea Village, the football club's parent company, fell 4p to 85½p on concern that the death of the club's largest individual shareholder - he owned 26 per cent of the shares and the freehold to the football stadium - would slow redevelopment of the club and a neighbouring hotel, leisure and business complex.

However, Mr Ken Betes, chairman of Chelsea Village, said Mr Harding's financial commitment to the company had been secured before his death.

Mr Harding's death was also mourned by Britain's most senior politicians. To Mr John Major, the prime minister, he was a fellow Chelsea supporter and a permanent fixture in the executive suite.

Tower of paper stacks up for approval

Plans for Europe's tallest skyscraper submitted



Foster's view: an architect's model of the Millennium Tower

A s befits a proposal to build Europe's tallest skyscraper, the planning application for the Millennium Tower in the City of London is one of the largest ever submitted in terms of sheer bulk.

A lorry-load of paper, including 8,000 drawings, was yesterday delivered to the Guildhall headquarters of the Corporation of London, the City's local authority.

Corporation officials will spend at least a month sorting through these documents before public consultation on the proposed tower can begin in earnest.

Kvaerner, the Norwegian company behind the proposal, will also stage a public exhibition. The central planning issue is whether the City is prepared to give the green light to a building that would have a profound impact on the London skyline.

The proposed 372.5m tower - designed by Sir Norman Foster - is more than twice the height of the NatWest Tower, currently the tallest City building.

Although the site does not approach on protected views of St Paul's Cathedral, Kvaerner has prepared doc-

uments of photo-montages showing views of the City skyline from vantage points.

"Most initial reactions to the design have been favourable. The question is whether London wants a stunning skyscraper," said Mr Alan Winter, managing director of Trafalgar House Properties, the Kvaerner subsidiary behind the proposal.

The planning application also covers technical issues such as the impact of the proposed structure on wind patterns in the neighbourhood and possible interference with telecommunications and air traffic.

The first generation of City skyscrapers - such as Britannic Tower, the former headquarters of British Petroleum - created unforeseen turbulence at ground level. A scale model of the proposed Millennium Tower has been shipped to Toronto, Canada for testing in an advanced wind tunnel.

Kvaerner said the results were encouraging. The City planners will also consider the building's shadow, its public access and servicing.

These issues will be explored in detail before the application is considered

next year by the Corporation's planning committee.

Kvaerner also requires consent from English Heritage, the government agency, to build on the site of the Baltic Exchange, a listed building that was badly damaged three years ago by an IRA bomb.

The company argues that about 70 per cent of the exchange was destroyed by the blast and that rebuilding would amount to creating a replica.

Mr John Gummer, the environment secretary, also has powers to review Kvaerner's plans as an issue of national importance.

The minister could call for a public inquiry. Alternatively, he could allow the City planners to consider the application on the understanding that he would review their decision.

Mr Gummer's attitude to the Millennium Tower proposal is difficult to predict. His architectural advisers are known to be sceptical about the merits of very large buildings. The minister will have to decide whether the quality of Sir Norman Foster's design justifies taking a risk.

Simon London

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Retail sales fall back as prices increase

By Robert Chote, Economics Editor

Trade in Britain's shops fell back slightly last month, indicating that retailers may be finding it difficult to make price increases stick.

After adjusting for normal seasonal patterns, the volume of retail sales fell by 0.3 per cent in September, the Office for National Statistics said yesterday. This reversed a third of the unexpectedly big rise recorded in the previous month.

The most conspicuous area of weakness was footwear. The cash value of footwear sales in September was 12 per cent down on the previous month and 11 per cent down on September 1995.

The volume of clothing and footwear sales in total fell by a seasonally adjusted 3 per cent between August and September. Prices in this sector rose by 5.2 per cent in the same period, the biggest monthly rise in almost 50 years.

"The evidence suggests that retailers are struggling to make price increases stick," said Mr John O'Sullivan at NatWest markets. "This ties in with data from the GfK confidence survey earlier this week, which showed that consumers saw a greater advantage in postponing major purchases."

The underlying trend in retail sales nonetheless remains upward. Sales volume in the third quarter was 0.8 per cent up on the second quarter. This followed an

increase of 1.4 per cent in the second quarter and 0.4 per cent in the first.

September's figure was slightly weaker than City of London economists had expected, but most expect momentum in town centres to be re-established quickly as demand intensifies in the run-up to Christmas. The data had little impact on interest rate expectations, with attention focused on Friday's third quarter economic growth figures.

Within the consumer sector, non-food retailers continue to perform best. Household goods sales were 7.3 per cent up on a year ago in the third quarter, with clothing and footwear up 6.9 per cent over the same period. Department store sales are growing at a little under 5 per cent a year, but food store sales have risen by less than 1 per cent.

The early indicators of sales this month are mixed but the amount of cash circulating around the economy is growing less quickly than in recent months when sales have been strong.

"With buoyant trends in house prices and housing turnover, we suspect that the trend in consumer spending will remain pretty strong," said Mr Michael Saunders, economist at Salomon Brothers. "As seen in recent business surveys, this is now feeding through more widely to a general pick-up in growth that is likely to push GDP growth above trend in the fourth quarter."

Company report changes urged

By Jim Kelly, Accountancy Correspondent

A conference called in London today to debate the future of financial reporting will hear one of the country's leading auditors claim that the prime users of company accounts are directors - not shareholders or other stakeholders.

A shift in accounting towards the needs of directors would focus attention on setting broad accounting guidelines which are of practical use to them.

The intervention of Mr Roger Davis, of accountancy firm Coopers & Lybrand, will be seen as an attempt to win back influence for finance directors at a time when rapid developments are taking place in global harmonisation of accounting standards.

Mr Davis's speech, delivered to finance directors and leading standard-setters, is also designed to try to counterbalance the strong influence of prescriptive US-style accounting standards in the harmonisation process.

"The question is whether in the UK we are going to lie down and let the US Securities and Exchange Commission set the rules," he said. Mr Davis believes the inter-

pretation of accounting standards should be by judgment not code.

The standard-setters are likely to point out that corporate failures in the late 1980s and early 1990s, which left shareholders facing big losses, were not a good advert for the judgment of auditors and that rules were needed.

Mr Davis's intervention also comes at a time when the world's standard-setters are dealing with disagreements over deferred tax, derivatives and goodwill.

To back up his argument he will publish a suggested code of 20 principles to guide auditors. For example, one states that "if a wrong in the accounts cannot be put right in the notes to the accounts", or that accounting policies should "not constrain sound commercial decisions".

While Mr Davis will stress that he supports harmonisation and the work of the standard-setters, he hopes his code will provide a practical "day-to-day" guide.

Mr Davis will also defend the auditing profession against charges that the failures of the past could potentially re-emerge in a recession.

مكتبة الشارقة

FINANCIAL TIMES

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Thursday October 24 1996

Flexible friends

The EU's treaty-revising conference, now nearing its half way mark, is no longer expected to agree on any dramatic streamlining of the union's decision-making processes. But...

them do it outside the EU framework. Here too there are precedents: the Western European Union (WEU), which is a defence pact, and the treaty of Schengen, which abolishes frontier controls between its signatories. Both have been signed by only some EU members, and their machinery is separate.

Party politics

Those in Britain looking for a purposeful government will be sorely disappointed by the legislative programme presented at the state opening of parliament. The Queen's Speech offered pomp without substance, party politics in place of policy-making.

societies and changes to the restrictive practices laws are among those shelved. The Treasury will lobby hard to get the former reinstated before the election, but there is no certainty that it will succeed.

Trade blocs

The faster the global economy integrates, the stronger the urge among countries to hand together in regional trade groupings. The significance of the trend is as fiercely disputed as the motives driving it seem paradoxical.

repeat at a regional, rather than a national level, some of the mistakes of the autarkic policies which crippled their economies in the 1960s and 1970s.

Citicorp: international ambitions

Table with 2 columns: Bank Name, Number of emerging markets in which bank is present. Citicorp: 77, HSBC: 53, Standard Chartered: 47, ABN-Amro: 46, ING: 37, Chase Manhattan: 35, Deutsche Bank: 28, BankAmerica: 23, Bankers Trust: 22, Bank of Boston: 16, J.P.Morgan: 18.



The craving for recognition

Citibank's chairman tells Richard Lambert and George Graham about the US bank's strategy for becoming a global brand

Coca-Cola... Nike... Sony... Could a bank's name one day enjoy the global recognition that these brands enjoy, and reap the financial rewards that go with it?

mer goods companies such as Philip Morris and Colgate-Palmolive. He reads a stack of stockbrokers' reports on consumer industries from Morgan Stanley, the investment bank.

have pots labelled "John Reed's Special Coffee" - Mr Reed spent much of the next five years rebuilding Citibank's finances.

introduce the product through a global manufacturing capability and a global distribution capability and the product will be the same," Mr Reed said.

earnings growth is expected to come from consumer banking and credit cards. Citibank is already well down the road towards presenting a uniform face to its consumer banking customers around the world: cash machines that all work in the same way, branches with similar layouts.

How John Reed sees the future

Investment banking We said, hey, do we want to be a traditional investment bank? We said no we don't... We see that as product positioning, where your customers are the people who need your particular service at that particular time and you have a revolving set of customers over time but a constant commitment to a set of products.

an important way by Bank of America or BancOne or the bulk of Deutsche Bank's activities in Germany. It's an attractive market from a return point of view, it's not widely attractive from a growth point of view.

instrumentality, and it's today driving the marketplace in the credit card business - and it's good and it's bad.

100 years ago Exports From The Fatherland More than half the total of the German exportation by sea to European countries finds its way to the United Kingdom, and as the most important articles consist of sugar, eggs, butter, woolen goods, cotton yarns and hosiery, the fact is all the more worthy of attention.

Hanging up on AT&T

Boh Allen, chairman since 1988 of AT&T, should have slept easier last night now that the largest US long-distance telephone company has finally appointed its next president.

with the computer industry is another measure of the problems associated with Allen's stewardship. In 1991 he purchased NCR, America's oldest business machine company, paying more than \$7bn for a business making very modest profits.

Emu flutter The spectre of a single European currency and the consequent scramble for fiscal austerity is causing plenty of strains across the continent - some more unexpected than others.

Root and branch The British government takes pride in its special relationship with Japan, whose international manufacturers have lavished a generous flow of jobs and inward investment on the UK over the years.

Mao mangling Mao Zedong has finally abandoned his local dialect, in favour of a standard Mandarin Chinese accent - a mere two decades after his death.

ZIMBABWE

Tough journey down the road of reform

Strong growth masks weak implementation of structural adjustment, while investors will be looking for greater transparency in the allocation of tenders and contracts, says Michael Holman

When President Robert Mugabe opens a foreign investment conference in Harare this week, one question is likely to be uppermost in the minds of delegates contemplating putting their money into Zimbabwe. Why was the tender process for one of the biggest projects in the country's post-independence history circumvented, and the board that objected summarily dismissed?

The full story of the controversial sale of a 51 per cent stake in Zimbabwe's state-owned Hwange power station to a Malaysian company has yet to be told. But the deal has dismayed other foreign companies, alarmed western diplomatic missions in Harare, and threatens to cast a cloud over the country's efforts to win support for the next phase of its economic reform programme, first launched in 1991.

Although the process so far has been painful, and progress erratic, the socialist aspirations that accompanied the sweeping victory of Mr Mugabe and his Zanu-PF party in the 1980 independence elections have been abandoned. The man who once promised to "set in motion an irreversible socialist trend" now calls for commercialisation and privatisation of state-owned enterprises, and offers a warm welcome to foreign investors.

On the face of it, the next phase of reform, set out in the Zimbabwe Programme for Economic and Structural Transformation (Zimprest) gets off to a healthy start, with the finance minister, Herbert Murerwa, forecasting 7 per cent growth for this year.

Good rains last season have boosted agriculture, the tobacco crop - the country's biggest foreign exchange earner - fetched prices that were nearly 40 per cent higher than last year, and the forecast value of the 1997 crop is over \$750m.

Tourism is booming, and the mining industry is thriving, with one of the biggest post-independence investments about to pay off. When the Hartley mine, 80km west of Harare and developed by BHP of Australia, comes fully into production next year, it will provide some 3 per cent of world supply of platinum, with annual export earnings of over US\$100m.

And the country's stock market has enjoyed a remarkable run. Industrial share prices are up 80 per cent so far this year, much to the satisfaction of foreign investors who have provided a net inflow of Z\$1.18bn since the Harare exchange was opened up in mid-1993.

Meanwhile, the pace of privatisation has been slow, and the government has had to sustain what Mr Murerwa admits are "huge losses" by the state-owned sector, amounting to Z\$6.5bn.

Health and education services are coming under strain, and real per capita incomes today are little changed from their levels at independence in 1980. With an estimated 190,000 jobseekers coming on to the labour market annually, and only 15,000 formal sector jobs created each year since 1990, unemployment now stands at one-third of the workforce.

The upshot is that for most Zimbabweans, living standards have declined, life is getting harder, and doubts about the government are deepening, with the focus of concern on Mr Mugabe himself.

Re-elected in March this year for a further six-year term, and leading a party which holds 147 of the 160 parliamentary seats, the 72-year-old president holds unchallenged power, which he exercises in a manner which many Zimbabweans resent.

Aircraft from the national airline are frequently commandeered to take the president on official visits, and a mansion has been built for his new wife from a housing fund intended for senior civil servants.

While the Hwange deal focused attention on Mr Mugabe's seemingly limitless authority to intervene in commercial decisions, it was not the first time that controversy has attended Zimbabwe's tenders and contracts.

A tender awarded to Ericsson, the Scandinavian telecommunication company, to establish Zimbabwe's first cellular phone system, was cancelled after claims by the US and German governments that the procedure had not been transparent. The fresh tender was subsequently won by Siemens.

A bid for the construction of a new international airport, awarded to a Cyprus-based company linked with Leo Mugabe, the president's nephew, has also been disputed, with critics saying that the company had failed to meet the criteria for the contract.

Mr Mugabe, who has frequently raised black Zimbabwean expectations without providing practical ways in which they can be met, offers reassurance: "We do not want to disempower the whites. We want them to help create room for black participation."

Whether this is enough to satisfy the business community remains to be seen. For unless President Mugabe can set to rest the growing concern about the way his government does business, the country's reforms may not get the donor and investor support they badly need.



Area: 390,580 sq km
 Population: 11.5m (1995 est)
 Currency: Zimbabwe Dollar (Z\$)
 Exchange rate: Oct 16, 1996
 \$1 = Z\$10.5487
 Main towns and population (1992):
 Harare (capital) 1,184,000
 Bulawayo 621,000
 Gweru 125,000
 Mutema 69,000
 Kadoma 67,000
 Languages: English, Shona, Ndebele and local dialects
 Source: Datastream; EIU; IMF; Reserve Bank of Zimbabwe

	1995	1996*
Total GDP, real terms (Z\$m)	11,222	12,006
GDP per head (US\$)	574	636
Real GDP growth (%)	-2.7	7.0
Agricultural output (annual % change)	-12.0	18.0
Industrial output (annual % change)	-8.6	6.5
Services output (annual % change)	3.2	3.2
Inflation (annual average)	22.6	22.0
Money supply, M2 (annual % change)	25.5	26.4
Foreign exchange reserves (US\$m)	596	800
Gold reserves (US\$m)	140	150
Foreign debt (US\$m)	4,441	4,574
External debt per head (US\$)	387	388
Debt service (% of exports)	25.5	24.7
Current account balance (US\$m)	-350	-150
Merchandise exports (US\$m)	2,050	2,275
Merchandise imports (US\$m)	-1,850	-2,000
Merchandise trade balance (US\$m)	200	275

Main trading partners (1994)

	Exports	Imports
UK		
South Africa		
Germany		
US		
Japan		

* Forecast



Head of state: President, elected by universal suffrage and serving a six-year term.
 Legal system: Based on Roman-Dutch law and the 1979 constitution.
 National legislature: House of Assembly with 150 members, 120 representing geographical constituencies elected by universal adult suffrage every five years, eight being provincial governors, ten customary chiefs and 12 others appointed by the president.
 National government: The president and his appointed cabinet.

Next elections due: April 2000 (legislative), March 2002 (presidential)
 Main political parties: House of Assembly (150 seats) Zimbabwe African National Union-Patriotic Front (ZANU-PF) 147 seats Zimbabwe African National Union-Ndonga (ZANU-Ndonga) 3 seats Independent 1 seat
 Zimbabwe Unity Movement (ZUM): Forum Party of Zimbabwe (FPZ); United Parties (UP); Front for Popular Democracy (FPD); Democratic Party

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In Mali, the US\$300 million Sadiola gold project is due to start production early in 1997. In Zambia Anglo American has given the government an undertaking to attempt to form a consortium in a joint venture with Zambia Consolidated Copper Mines to develop the Konkola Deep mining project. We have also taken steps towards involvement in mineral-rich neighbouring Zaire and have acquired several interesting prospects in Tanzania. The 7.3 per cent investment in Lonrho complements our existing mining activities, particularly in West Africa.

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THE CUTTING EDGE OF THE NEW SOUTH AFRICA

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Production Editor: Ian MacDonald

6 ZIMBABWE

■ Tourism • by Roger Matthews

Natural opportunity is waiting

The number of visitors is rising fast, but too few are free-spending tourists

The Victoria Falls, a World Heritage site, is by popular acclaim the jewel in Zimbabwe's tourism crown.

Little better illustrates the modesty of the government's international effort to promote tourism, or the enormous potential enjoyed by the industry both in terms of employment and foreign exchange earnings.

The numbers game, however, is fraught with distortions. Total arrivals have more than doubled to 1.3m in the past six years, but over 80 per cent originate from the southern African region.

Neither group adds greatly to Zimbabwe's tourism receipts.

Chen Chimutengwende, the minister of tourism, says the relatively little revenue they provide is better than nothing, but points out that the other 17 per cent of visitors, mainly from Europe, US and Asia, spend more than the entire southern African contingent.

The lesson is being absorbed by government. The newly-established Zimbabwe Tourism Authority, funded by a 2 per cent levy on gross tourism earnings, intends to concentrate its promotional activities on those core areas in an effort to attract the more affluent and those likely to stay longer in the country.

Mr Chapman would particularly like to see greater co-operation between Zimbabwe and Zambia, perhaps with the establishment of a trust, an idea which has already been unsuccessfully mooted.

"Without any real marketing we have already been grow-

ing by 10 to 15 per cent a year."

The minister's enthusiasm for sharply higher volumes is not universally shared. David Chapman, the chairman of the private sector's Zimbabwe Council for Tourism, accepts that numbers can be increased significantly, but believes a strategy must be adopted for achieving sustainable development.

"A conflict could emerge between the desire to increase revenues and the needs of the environment," he says. "The Victoria Falls is our problem child. It is the place where everyone wants to go, and although it is not yet saturated, we have to be very careful about future development."

Mr Chapman would particularly like to see greater co-operation between Zimbabwe and Zambia, perhaps with the establishment of a trust, an idea which has already been unsuccessfully mooted.

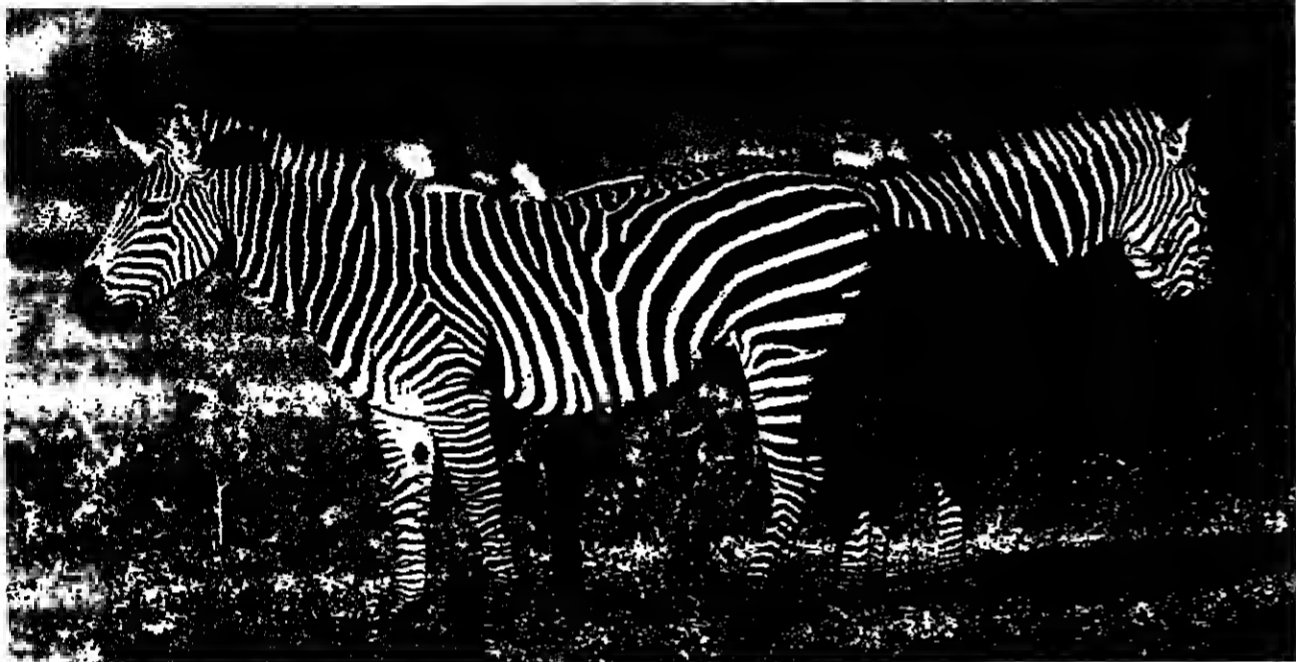
back. At the moment there are a lot of players on the field, but no one has quite decided where the touchlines are."

Officials respond that talks with Zambia have made progress and the aim remains to reach agreement within the next 18 months on a 20-year master plan for the area. For those most concerned about this issue, the sharp fall during the past nine months in the value of the South African rand has not been unwelcome.

A further challenge is to persuade tourists to stay longer by broadening the range of available activities. After the Victoria Falls, and in the absence of beaches, wildlife is Zimbabwe's most obvious attraction. It has some of Africa's finest reserves, which as yet are not suffering from the over-exploitation experienced in other parts of the continent.

President Robert Mugabe believes privatisation has an important role to play in this process, and the government is considering a partial sale of the state-owned Rainbow group which owns or manages a number of hotels throughout the country.

Zimbabweans who are regular travellers would like to see the national airline follow a similar route - a possibility raised by Mr Mugabe - if it wishes to prevent other carriers capturing a larger share of the expected increase in tourist numbers.



Zimbabwe has some of Africa's finest nature reserves, at yet free from over-exploitation experienced elsewhere



Jewel in the tourism crown, but the location of the Victoria Falls confuses many

■ Art • by Diana Mitchell

Fine work takes world stage

Sculpture heads a wealth of talent, much of which has yet to be tapped

When Frank McEwan, a one-time director of the Tate Gallery in London took up the first directorship of the National Gallery in what was then Rhodesia in 1965, he found little to excite him in the work of painters.

He was in search of African art and African talent; he found it in the field of stone sculpture. North of Salisbury - now Harare - at Tengenenge Farm, he met Tom Blomefield, a white tobacco farmer who had abandoned his fields when UDI sanctions stalled the marketing of his crop.

Like many farmers he had done a little prospecting along the mineral-rich Great Dyke area of his property. Lemon Moses, a Malawian labourer who had worked with stone at McEwan's Gallery workshop, told him he was sitting on a mountain of beautiful stone. Zimbabwe's modern stone sculpture had its genesis here, and McEwan gave it worldwide exposure.

Henry Munyaradzi, once a farm worker, led scores of black sculptors in the rapid development of Zimbabwe's stone sculpture. It is now found in major private and public collections throughout the world.

In 30 years, stone sculpture has tended to eclipse other art in Zimbabwe. There has been stiff competition from a phenomenal growth of "airport art" - so described by McEwan - for the lucrative trade brought by tourists streaming into the country after Independence, particularly since 1990 when the economy was opened up to market forces.

With rising unemployment, the spawning of countless roadside sellers of stonecraft, basketry, batik, wire toys, hand crochet, handicrafts aplenty and even an occasional display of garish oil paintings, are a tribute to the resourcefulness of Zim-



Zimbabwe Heritage 1991, a wood sculpture by Nicholas Mukomburwa

babwe's people and, in many cases, an indication of untapped potential in fine artistry.

In Bulawayo, the country's second city, there is a thriving artistic township at Masikazi township, and at the Bulawayo branch of the National Gallery. Foremost among the country's metal sculptors in this area is Adam Madzbe. He and his Harare counterpart, Arthur Azevedo are top performers in a difficult and highly skilled technique.

Painting, long overlooked during the period of excitement over stone sculpture, owes much of its regeneration to the efforts of Gallery Delta's Derek Huggins, whose regular exhibitions have promoted the vibrant and striking paintings of Louis Meque, Richard Jack, Berry Eickle and others.

A few years ago, a move was made to bring artists from all over the world to join with Zimbabweans in a series of sponsored workshops, known locally as

"Pachipawwa" (coming together). Robert Loder, a British businessman who was involved in an international Triangle workshop movement, was persuaded by the former Rhodesian artist, Pat Pearce - now living in Britain - to sponsor the first workshop in 1988.

Subsequent annual events were sponsored by local businesses and international donor agencies. Lack of funding has brought this effort to a standstill.

Blomefield's Tengenenge lives on. Frank McEwan died in England last year, but his vision for Zimbabwe's sculptors remained undiminished to the end. Writing in Yorkshire's Zimbabwe Stone Sculpture exhibition publication (1994) he said: "Perhaps one day some of these sculptors may be compared with those of antiquity, with genius of form that reveals eternal meaning."

MEIKLES HOTEL advertisement with contact details and promotional text.

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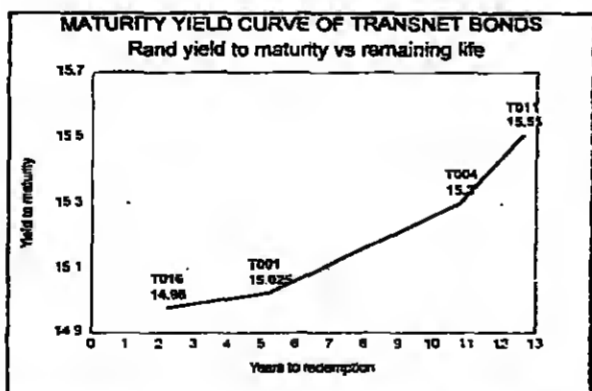
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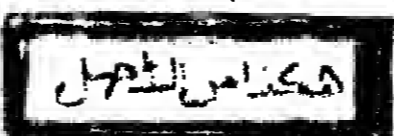
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NEWS DIGEST

ti sell-off criticised

The British government's decision to sell off the assets of the former British Telecom (BT) has been criticised by the opposition and some business leaders. The sale, which is being completed in stages, has raised concerns about the impact on the telecommunications market and the government's ability to manage the transition. Critics argue that the sale could lead to a loss of jobs and a reduction in the quality of service. However, the government maintains that the sale is necessary to reduce the national debt and to create a more competitive market.

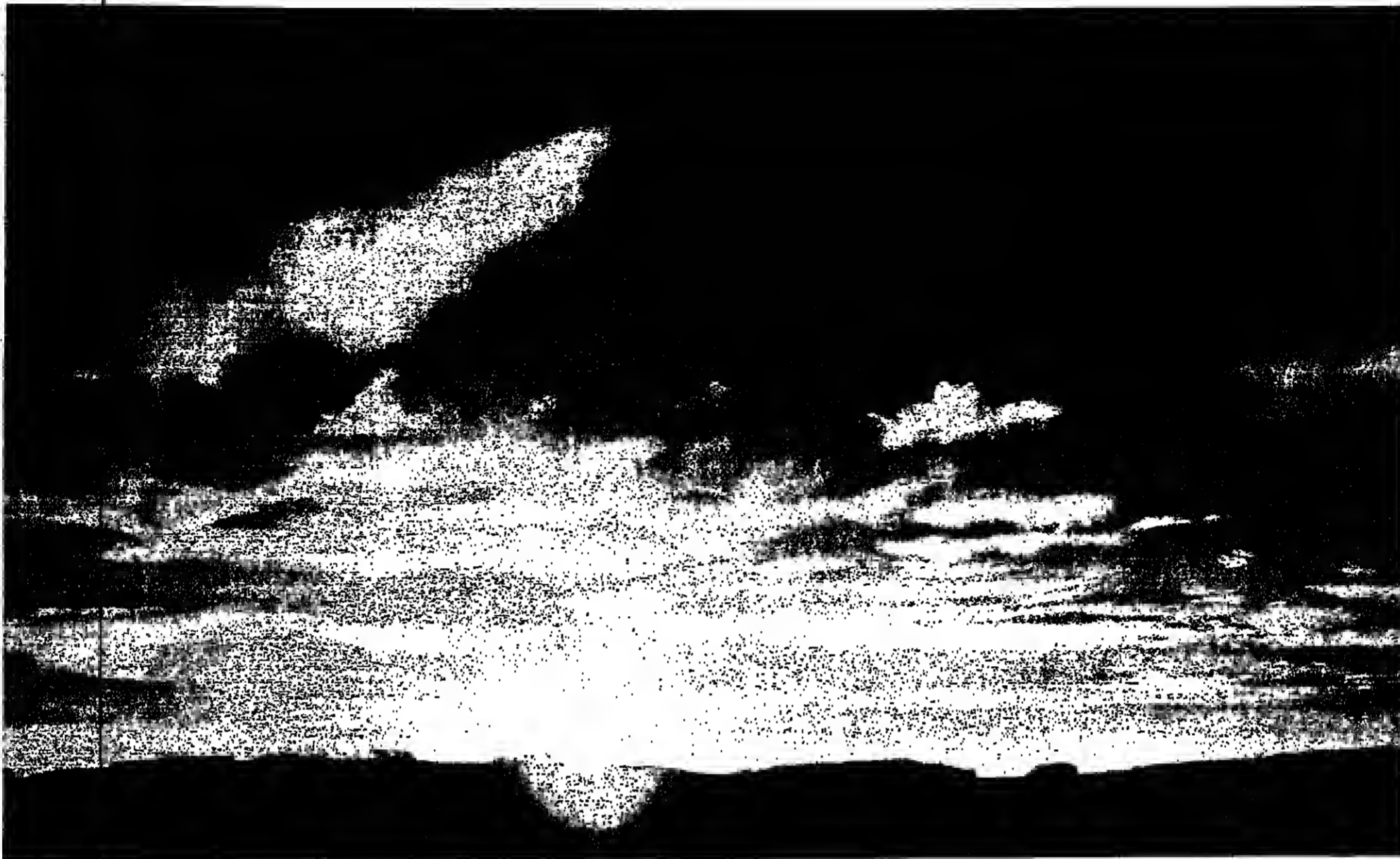
recall hurts RPR

The recall of a large quantity of RPR (Royal Power) shares has caused a significant drop in the company's share price. The recall was initiated by the company's board of directors, who cited concerns about the accuracy of the financial statements. The move has been widely criticized by investors and analysts, who believe that the recall is a sign of financial weakness. The company's stock price has fallen by over 20% since the recall was announced, and the company's reputation has been severely damaged.

Annual Report

1997 Report

How
winning the
challenge
make portfolio
manage your
investment
strategy



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COMPANIES AND FINANCE: EUROPE / AFRICA

EUROPEAN NEWS DIGEST

VW profits more than doubled

Volkswagen, the German carmaker, continued to register strong profits growth in the first nine months, more than doubling net earnings to DM465m (\$303.9m) from DM185m for the same period last year.

Trading gains drive BPI rise

Substantial trading gains helped lift the consolidated profit at Banco Portugues de Investimento, one of Portugal's leading financial groups, by 71 per cent in the first nine months, to E12.1bn (\$9.2m) from E6.7bn in the same period last year.

Linde looks abroad for growth

Linde, the German industrial group, registered a slight improvement in profits for the nine months to end-September, on a 6.2 per cent increase in sales to DM6.9bn (\$4.2bn).

Duo tightens grip on Sonofon

GN Great Nordic and BellSouth have bought out their partners in the Danish cellular telephone company Sonofon, which offers services in competition with the state-controlled telephone company Telenor.

Sneema clear on SEP stake

The French government has approved a plan by Sneema, the loss-making state-owned aero-engine maker, to lift its stake in SEP, the rocket engine manufacturer, from 51 per cent to 100 per cent.

Klöckner-Werke breaks even

Klöckner-Werke, the German engineering group, said it broke even, as expected, in the year ended September 30 after a loss of DM210m (\$138.8m) the year before.

JCI beats expectations with 17% improvement

By Mark Ashurst in Johannesburg
JCI, the South African gold producer earmarked for sale to black investors, announced a sharp rise in profits for the September quarter.

The three months to June. Anglo American Corporation, which owns a 48 per cent controlling stake in JCI, is at an early stage in negotiations to sell its holding to black investors.

Showing shareholders the true value of Suez

Chairman Gérard Mestrallet has moved to refocus the group



Gérard Mestrallet: setting out to court shareholders

If not a wind, there is at least a breeze of change waiting through the corridors of the grandiose Paris headquarters of Suez, the French financial and industrial holding company.

considerable competitive tensions between Lyonnaise des Eaux and Tractebel. However, Mr Mestrallet says there is little overlap in either the services they offer or the markets in which they do business.

Mr Mestrallet also suggests SGB is also useful as a way for Suez to acquire Belgian assets such as Tractebel and Générale de Banque without stirring sentiment about companies falling into the hands of foreigners.

ETBA FINANCE FINANCIAL AND ECONOMIC SERVICES S.A. ANNOUNCEMENT OF A FIRST REPEAT PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR THE SALE OF THE ASSETS OF "COMMERCIAL AND INDUSTRIAL PLASTIC PRODUCTS S.A."

Ceteco Holding N.V. has acquired the business of Ventura Hermanos S.A.C.I.F. Financial advisor to Ceteco Holding N.V. ABN AMRO Hoare Govett

hannover re A global leader in reinsurance hannover re Listed on the Frankfurt and Hannover stock exchanges

ABB International Finance N.V. Republic of Austria U.S. \$400,000,000 Floating Rate Notes due 2002 INTERFINANCE CREDIT NATIONAL N.V. COMMONWEALTH BANK OF AUSTRALIA

THURSDAY OCTOBER 24 1996
PE / AFRICA
AN NEWS DIGEST
profits more doubled
gains drive BPI
look abroad for gro
rights grip on Sonol
ma clear on SEP stake
ates-Wake breaks ev

COMPANIES AND FINANCE: ASIA-PACIFIC

Plot thickens in struggle for Astra control

Mr Teddy Rahmat, president director of Astra International, the Indonesian car-plantations conglomerate...

The forecasts came as investors puzzled over Astra's future in what looks increasingly like a struggle for control of the company between powerful business groups.

Until yesterday, Mr Putera Sampoerna and the listed clove cigarette company he controls, Hanjaya Mandala Sampoerna, had a joint holding of 13 per cent...

Nevertheless, Mr Mohamad Hasan, a close associate of President Suharto and commissioner of Nusamba, an investment company owned by groups linked to the president's family...

Until yesterday, Mr Putera Sampoerna and the listed clove cigarette company he controls, Hanjaya Mandala Sampoerna, had a joint holding of 13 per cent...

While no one is sure why some of Indonesia's most powerful businessmen are buying into Astra, there is a widespread belief the company will face restructuring if Nusamba takes a stake...

Astra has been proceeding with its own divestment programme in order to pay off debts: the company's debt-to-equity ratio is more than 200 per cent. And management has said it plans to hold separate initial public offerings in the near future for three of the company's divisions - Bank Universal, the agri-business unit, and the components division.

There is concern, however, that if Nusamba takes control, these will be sold off in private placements rather than initial public offerings. Investors will not have foregone that Indonesian companies have set worrying precedents in their treatment of minority shareholders' rights.

Negara in demand

The foreign tranche of shares in Bank Negara Indonesia, the state-owned bank due to be listed on Indonesia's stock market next month, was seven times oversubscribed as of yesterday, writes Manuela Saragosa.

Sources involved in underwriting the issue, which is set to restore momentum to the country's privatisation programme, said foreign interest was high ahead of the shares' pricing, which will be announced today.

Hanjaya Mandala Sampoerna, the Indonesian clove cigarette manufacturer, said it had sold its stake in Astra International, the country's largest car assembler...

The company said the 33.18m shares representing 2.85 per cent of Astra - were sold for Rp165.9bn (\$71.4m), or Rp5,000 a share.

Sampoerna said it had sold its stake "after internal discussion and consultation with our share- and bond-holders".

One theory is that groups linked to the presidential family may be interested in making use of Astra's car assembly and distribution facilities for the "national" car project.

Astra is the sole distributor and assembler of Toyota, Daihatsu, BMW and Peugeot cars and Honda motorcycles in Indonesia.

Under the policy, President Suharto's youngest son, Mr Hutomo Mandala Putra, was awarded tax and tariff breaks not available to established carmakers to build Indonesia's "national" car in co-operation with South Korea's Kia Motors.

But analysts have also speculated that the Salim group, which assembles Nissan, Suzuki and Volvo cars through its company Indomobil, and holds 4.57 per cent of Astra's shares, may have ambitions to use Astra's facilities.

Mr Hasan has said he intends to act with a consortium of Astra's largest shareholders, including Mr Prajogo Pangestu, a timber tycoon; the financial services conglomerate Danamon Group; and the chief executive of the Salim group, Mr Anthony Salim.

Meanwhile, it remains unclear whether Mr Sampoerna is warding off a Suharto family bid for Astra and what his motive would be in doing so. As one analyst at a European brokerage says: "It is inconceivable in Indonesian politics that anyone would challenge the first family."

But that would change if Mr Putera Sampoerna were backed by powerful business groups. Officials at Toyota Motor Corporation, which has an 8.26 per cent stake in Astra, have said they are "aware of speculation" surrounding Mr Sampoerna's moves and "are watching it with interest".

Mr Hasan, who at first denied that Nusamba was planning to take a big stake in Astra, has since apologised for misleading the public and other shareholders about his intentions. In the meantime, the affair has done little to inspire confidence in Astra's future.

Manuela Saragosa

Pacific Dunlop sells pacemaker unit

By Nikki Tait in Sydney

Pacific Dunlop, the Melbourne-based conglomerate, has found a buyer for its Teletronics Pacing Systems unit, ending its ill-fated foray into the manufacture and marketing of implantable medical products.

The company said Teletronics, a Denver-based manufacturer of heart pacemaker products which it acquired in 1988, is being sold to St Jude Medical, the US medical products group.

The initial purchase price is US\$135m, but Pacific Dunlop said there was a further "earn-out" provision which could add up to US\$25m to the price by 2002. The earn-out is tied to future sales, and the entire sale agreement is subject to US regulatory review.

Teletronics became a big problem for Pacific Dunlop almost two years ago when it was revealed that faulty pacemaker leads in certain products had caused injuries in implanted patients. In a couple of cases, pacemaker recipients died.

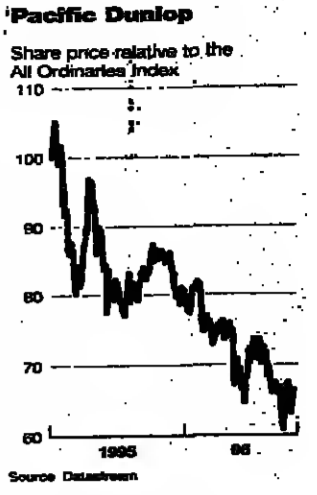
The stock market hammered Pacific Dunlop's share price as litigation loomed, and for almost a year Teletronics was suspended from manufacturing for the US market under a consent decree with the US Food and Drug Administration.

An initial provision of A\$19m (US\$15m) was made to cover legal costs, and a further A\$40m was taken to cover the expenses of patient care and monitoring. The manufacturing suspension caused Teletronics to incur a A\$164m loss from operating activities in 1995-96.

Yesterday, Pacific Dunlop said it would retain all responsibility for products made before the sale. The Accufix Research Institute, set up to deal with the regulatory and clinical issues arising from the faulty leads, is now covered by an extra provision of A\$85m made in 1995-96.

Pacific Dunlop still faces extensive legal action, mainly in the US, related to the faulty leads. However, earlier this year it managed to "de-certify" a class action, meaning it can now deal with the liability claims on a case-by-case basis. In July, there were said to be about 300 cases pending - some "fear of failure" claims rather than suits filed after injury.

The Teletronics' experience has prompted Pacific Dunlop to pull out of medical products. Last year it floated off its Cochlear unit, which makes and markets an implantable hearing system for the nearly-deaf.



Normandy may seek North American listing

By Nikki Tait

Normandy Mining, the Australian gold mine group, is likely to seek a listing on a North American exchange next year, as part of a drive to increase overseas awareness of the group.

The news came as the company - the fifth-largest gold producer outside South Africa - yesterday announced after-tax profit of A\$20.5m (US\$16.3m) for the first quarter, a result it admitted was below target.

Total attributable production in the three months to end-September was 313,209 ounces, while mine operating costs stood at A\$360 an ounce.

Normandy blamed the profits shortfall largely on production problems at the Mt Leyshon and Bounty mines. The depressed zinc price also held back earnings from its base metal interests.

However, it held out the prospect of better results later in the year, as the Goldfields gas and power project in Western Australia comes on stream and production begins at the Vera-Nancy mine in Queensland. The LaSource mines in Africa will also be consolidated in the second half.



Robert Champion de Crespigny: 'not at all happy'

Mr Robert Champion de Crespigny, chairman, told the annual meeting the board was "not at all happy" with the share price, and

acknowledged that the "re-rating" forecast when Normandy began a merger of some interests with those of three related companies last year, had not materialised. The North American listing plan aimed to remedy this.

The chairman also accepted that there was a perceived share "overhang" resulting from an 11.8 per cent stake held by Newcrest Mining. The smaller Australian gold mining group tried to join the Normandy merger, but was rebuffed and ended up with a heavy

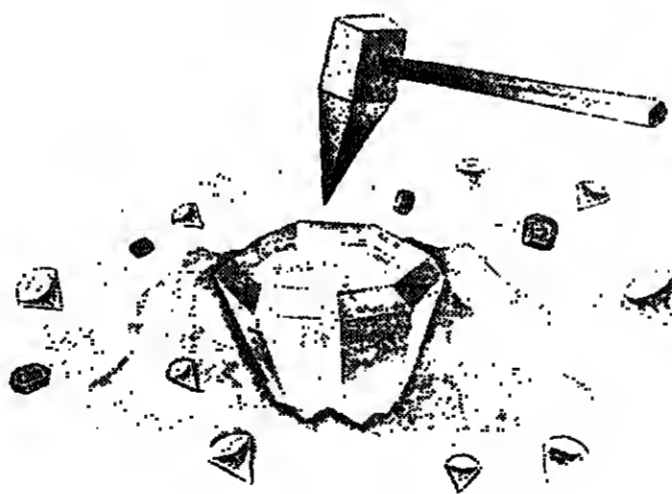
loss on its investment in Normandy and one of the related companies.

Newcrest is now widely expected to sell the stake. Placer Pacific, the Australian-listed gold mining group controlled by Canada's Placer Dome, announced after-tax profit of A\$23.1m for the nine months to end-September, down from A\$46m in the same period of 1995.

It said a 17 per cent rise in revenues had been offset by higher gold production costs, lower margins from copper and reduced interest income.

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AS NEWS DIGEST

Systems in the black
third quarter

Computer systems companies reported a strong performance in the third quarter, with many reporting record sales and profits. Analysts expect continued growth in the fourth quarter as well.

Well in India buy

Investors in India are buying heavily, driving up stock prices across the board. This is attributed to strong economic growth and a positive outlook for the future.

Capex quadruples sales

Capital expenditure (capex) has quadrupled sales for many companies, indicating a strong focus on growth and expansion. This trend is expected to continue in the coming months.

invented telephone.

(ALSO transistor, laser, Telstar satellite, fibre-optic cable, cellular).

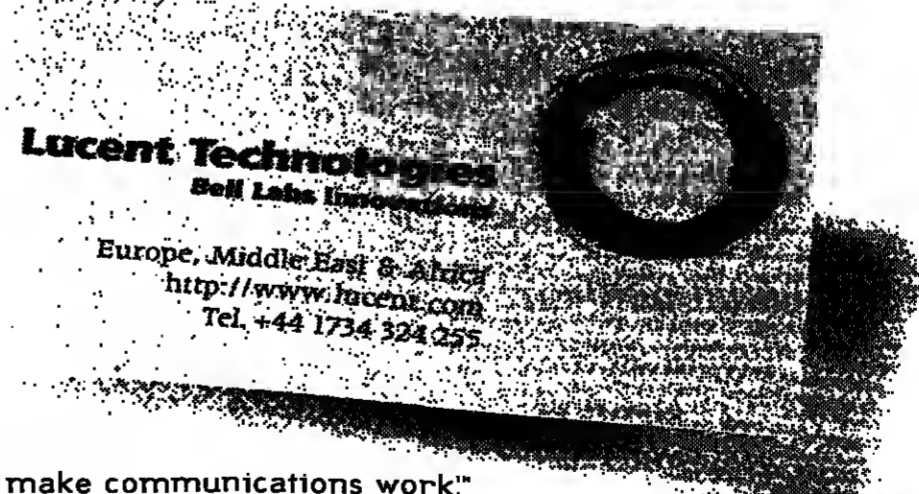
Have won awards. (Nobel etc.)

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Emap boardroom rift exposed

By William Lewis and Christopher Price

The board of Emap, the publishing, exhibitions and radio group, has been riven by dispute and mistrust for several years...

Arculus, group managing director since 1990, have been strained for several years. There has also been a long-running conflict between Emap's executives and non-executives...

cerns about what he is alleged to have said to shareholders and board members on new procedures for removing directors.

Mr Ross Russell said that "it is a problem which we have had for some years and have up to now been prepared to live with...

between Mr Miller and Mr Arculus "in their daily running of the company are too apparent" and that it was "not particularly pleasant for a chairman to have his two senior executives declared contenders for his job".

MGAM may lose £200m contract

By John Gapper in London and Bernard Simon in Toronto

Morgan Grenfell Asset Management, the troubled fund management company, may lose a £200m (\$312m) mandate to manage pension funds for Westminister City Council...

LEX COMMENT Emap
The tensions at the top of Emap are curious. So far as one can tell, they do not stem from any difference over corporate strategy. Rather, they appear partly driven by personalities and partly by a rather abstract debate over non-executives' rights...

Crossed wires in the City for CWC

Analysts fail to agree on the value of the new group, writes Christopher Price

Cable and Wireless's dramatic deal on Tuesday to create the UK's biggest cable company may have boosted the profile of the much criticised industry, but has failed to unite City opinion over its future prosperity.



In union: Derek Burney of Bell Canada (left), Richard Brown and Nynex's Fred Salerno

reached by those accepting the valuations put on Tuesday's deal by the participants themselves. Bell Cablemedia is buying a 60 per cent stake in Videotron Holdings while its parent, Bell Canada, is joining with C&W in making an offer for Bell Cablemedia, valuing the two cable companies at about £940m.

a year - into their estimates to take them to the top of the range. The valuation put on Mercury particularly excited many in the City as it was some 20 per cent higher than many analysts' estimates and was one of the chief causes of the surge in C&W's share price on Tuesday.

to all parties. Mercury, which already has 740,000 residential telephone customers, gains access to the three cable companies' current 555,000 phone subscribers, as many television customers and more importantly, the 6m potential customers in the cable franchise areas.

The breadth of market opinion is symptomatic of the difficulties analysts and investors have had in valuing the cable sector, which has been loss-making for several years. Revenue growth has been lacklustre, though it has recently shown some improvement. Estimates of the current market value of CWC, due to be floated next year, vary from £4.2bn to £5.5bn (\$8.58bn). A £5bn mid-range valuation is based on forecast earnings before tax, interest, depreciations and amortisation, (EBITDA) of about £900m in 1999, the first full year of operation for the new company. This would put it on a prospective multiple of over 6 times, akin to some of the US long-distance telecoms operators and reflective of the telecoms dominance of the new company.

Some analysts have added synergy savings - privately estimated by C&W at £150m

Second was the strategic potential of the alliance. The deal has obvious attractions

to all parties. Mercury, which already has 740,000 residential telephone customers, gains access to the three cable companies' current 555,000 phone subscribers, as many television customers and more importantly, the 6m potential customers in the cable franchise areas.

per cent and Nynex half. Analysts estimate a further £2.5bn will be required.

Detailed forecasts for the new company's profit-and-loss account suggest in 1997-98 revenues will range from £2.4bn to £2.7bn. Estimates of EBITDA lie at £571m-£71m. Pre-tax profits forecasts vary between £112m and £195m, with the group able to take advantage of the cable companies' tax losses. Interest payments on the estimated £1.7bn to £1.9bn of debt are forecast at about £120m a year.

All the analysts agree, however, that the deal will be earnings-dilutive for C&W - which will hold a 53 per cent stake in CWC - although again the figures vary between 7 and 15 per cent in the first year.

"Earnings dilution is the only snag to the deal," says Mr Paul Norris at Lehmanns, adding that "much will depend on the speed at which they are able to effect synergy savings." He has factored in savings of £25m in the first year.

As important in the longer-term will be CWC's ability to break through the persistent low penetration levels and high churn rates in the cable industry. Mr James Ross at ABN Amro Hoare Govett, believes the combination of synergies, Mercury's marketing expertise and financial muscle will allow CWC to exploit its new critical mass: "CWC is a high growth hybrid and the upside is tremendous."

North American demand lifts WPP

By Jane Martinson

Strong demand in North America helped WPP, the world's largest marketing services group, lift third-quarter revenues by 8 per cent to £407m (\$635m).

£150m, a target which, he added, should be reached in a year. WPP is considering some sort of special pay-out to shareholders, particularly in the form of a foreign income dividend.

The shares fell 8p to 238p yesterday, however, as some analysts said they were expecting a continuation of the higher first-half growth rates of closer to 13 per cent.

Soft demand in Latin America and Germany was partly to blame for the third quarter slowdown. Revenues rose 9 per cent on a like-for-like basis to £1.34bn in the first nine months. A stronger pound lifted the reported figure by 11 per cent.

Mr Martin Sorrell, the chief executive, said the group intended to reduce this to between £100m and

Table with financial results for various companies including Davenport Knitwear, Eaco, Ex-Landis Progs, and others. Columns include turnover, profit, EPS, current payment, and dividends.

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge. After exceptional credit. ↑ increased capital. SUS currency, S\$ second interim. † At March 31. * Comparatives for 28 weeks.

Coopers & Lybrand Corporate Finance
Thames Water Plc
Sale of PROWA Consulting GmbH, UTAG Umwelttechnik GmbH and the business of PWT Projects Ltd to Black & Veatch
Advised by Coopers & Lybrand Corporate Finance

Slowdown warning from EDS

News that its growth would slow during the last four months of this year sent shares in Electronic Data Systems, the systems integration company spun off by General Motors in June, down nearly 20 per cent from \$59 to \$47.7 during morning trading in New York.

Funding of £33,350,000 for the institutional purchase of W Vinten Limited
Airborne reconnaissance, recording and counter measures
Led, negotiated and arranged by BZW Private Equity Limited
Institutional Equity Underwritten by Funds Managed by BZW Private Equity Limited

INTERNATIONAL CAPITAL MARKETS

Bunds drag down most European prices

GOVERNMENT BONDS

By Richard Adams and Samer Iskandar in London and Lisa Bransten in New York

German government bonds sank yesterday, dragging most European bond prices along, after comments by Mr Otmar Issing, the Bundesbank's chief economist, dispelled hopes of further cuts in official interest rates.

Life's December bond future settled 0.33 lower at 99.48, after Mr Issing said he saw no reason to expect lower key interest rates, adding that he expected German economic growth to be better than expected this year.

Mr Giordano expects a further easing by the Bank of Italy before the year-end, but warns that "there is little room for rates to go below 7 per cent".

Japanese bonds hit another all-time high yesterday, the December JGB future reaching 194.96 in Tokyo, after settling at 194.00. Analysts in Tokyo said the contract could soon hit 200.00, a key psychological resistance level.

Traders said the New Financial Stabilisation Fund was detected buying 10-year JGBs. The fund was set up by the government to deal with bad property loans by mortgage firms.

Near midday, the benchmark 30-year Treasury was off 1/8 at 98 1/2 to yield 6.858 per cent, while the two-year note was 1/8 lower at 99 1/2, yielding 5.559 per cent.

Toyota targets Asian buyers with DM1bn deal

INTERNATIONAL BONDS

By Corner Middelmann

The eurobond market saw a series of firsts yesterday, the longest-dated non-US dollar eurobond for an emerging-market credit, for Argentina, the first D-Mark denominated Euro-Asian bond, for Toyota Motor Credit Corp, and the first tier-three capital global bond, for ABN Amro Bank.

The book-runners pointed out that the bonds were priced over the five-year bond due September 2001 rather than the Bobl 119 due May 2001, against which most recent five-year deals have been priced.

ABN Amro Bank's Chicago branch issued global subordinated five-year bonds, yielding 40 basis points over Treasuries, to raise tier-three capital, a form of deeply subordinated debt introduced in 1996 under the European Union's capital adequacy directive.

New international bond issues

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Yield, Spread, Bookrunner. Includes entries for US Dollars, D-Marks, and various international issuers.

Final terms, non-callable unless stated. Yield spread (over spot bond) as shown. Issued by lead manager. Floating rate note, 90% annual coupon. R: fixed rate offer price; F: fixed rate offer price; S: 3-month LIBOR + 1/8%.

Bankers have funded banking and trading with tier-one capital, which includes equity, cash and non-cumulative perpetual debt, and tier-two capital made up of dated subordinated debt and cumulative perpetual debt.

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Eleven banks join CME depository

The Chicago Mercantile Exchange yesterday said 11 banks and financial institutions had agreed to become charter members of its depository for swaps collateral, bringing the futures exchange one step closer to becoming a custodian for collateral used to guarantee over-the-counter swaps transactions.

Charter members will now consult on a rulebook for the new organisation. The CME said the subsidiary, which is regulated under Illinois banking and trust company law, could begin operating as early as February or March.

Historically, growth in privately-negotiated swaps and related derivatives has been reflected by similar growth in the CME's listed eurodollar futures and options. The CME DTC should bring greater efficiency to collateral management in privately negotiated derivatives, which in turn will benefit the parent, the CME, said Mr John McParland, president of the CME DTC.

Bank of Cyprus convertible

The Bank of Cyprus will next week price the first convertible bond by a Cypriot issuer. The deal will also be the first international security denominated in Cypriot pounds.

WORLD BOND PRICES

Table with columns: Country, Coupon, Red Date, Price, Day's Change, Yield, Week Ago, Month Ago. Lists prices for Australia, Austria, Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, US Treasury, and ECU.

BUNDO FUTURES OPTIONS

Table with columns: Strike, Price, Nov, Dec, Jan, Mar, May, Jul, Sep, Nov, Dec, Jan, Mar. Shows call and put prices for various maturities.

ITALY

Table with columns: Strike, Price, Nov, Dec, Jan, Mar, May, Jul, Sep, Nov, Dec, Jan, Mar. Shows call and put prices for Italian government bonds.

Spain

Table with columns: Strike, Price, Nov, Dec, Jan, Mar, May, Jul, Sep, Nov, Dec, Jan, Mar. Shows call and put prices for Spanish government bonds.

FT Actuaries Govt. Securities

Table with columns: Price Index, Oct 23, Oct 22, Oct 21, Oct 20, Oct 19, Oct 18, Oct 17, Oct 16, Oct 15, Oct 14, Oct 13, Oct 12, Oct 11, Oct 10, Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, Oct 3, Oct 2, Oct 1. Shows index values and changes.

UK Indices

Table with columns: Index Name, Oct 23, Oct 22, Oct 21, Oct 20, Oct 19, Oct 18, Oct 17, Oct 16, Oct 15, Oct 14, Oct 13, Oct 12, Oct 11, Oct 10, Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, Oct 3, Oct 2, Oct 1. Shows values for FTSE 100, FTSE 250, and FTSE All-Share.

US INTEREST RATES

Table with columns: Rate Type, Rate, 1m, 3m, 6m, 12m. Shows current and previous rates for various maturities.

UK Gilts Prices

Table with columns: Maturity, Price, Yield, Change. Shows prices and yields for various UK government bonds.

Japan

Table with columns: Maturity, Price, Yield, Change. Shows prices and yields for various Japanese government bonds.

Other Fixed Interest

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various fixed interest instruments.

FT/ISMA International Bond Service

Table with columns: Issuer, Bid, Offer, Chg, Yield. Shows market data for various international bonds.

Git Edged Activity Indices

Table with columns: Index Name, Oct 22, Oct 21, Oct 20, Oct 19, Oct 18, Oct 17, Oct 16, Oct 15, Oct 14, Oct 13, Oct 12, Oct 11, Oct 10, Oct 9, Oct 8, Oct 7, Oct 6, Oct 5, Oct 4, Oct 3, Oct 2, Oct 1. Shows values for various activity indices.

BOND FUTURES AND OPTIONS

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various bond futures and options.

France

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various French government bonds.

Germany

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various German government bonds.

US Treasury Bond Futures

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various US Treasury bond futures.

EURO BOND FUTURES

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various Euro bond futures.

Other Fixed Interest

Table with columns: Instrument, Price, Yield, Change. Shows prices and yields for various fixed interest instruments.

CONVERTIBLE BONDS

Table with columns: Issuer, Bid, Offer, Chg, Yield. Shows market data for various convertible bonds.

DEUTSCHE MARK STRAIGHTS

Table with columns: Instrument, Price, Yield, Change. Shows market data for various Deutsche Mark straight bonds.

Other Fixed Interest

Table with columns: Instrument, Price, Yield, Change. Shows market data for various fixed interest instruments.

CONVERTIBLE BONDS

Table with columns: Issuer, Bid, Offer, Chg, Yield. Shows market data for various convertible bonds.

Other Fixed Interest

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Table with columns: Instrument, Price, Yield, Change. Shows market data for various fixed interest instruments.

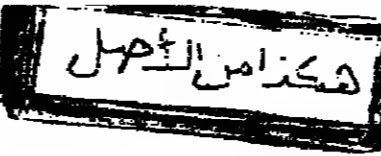
Other Fixed Interest

Table with columns: Instrument, Price, Yield, Change. Shows market data for various fixed interest instruments.

Other Fixed Interest

Table with columns: Instrument, Price, Yield, Change. Shows market data for various fixed interest instruments.

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CURRENCIES AND MONEY

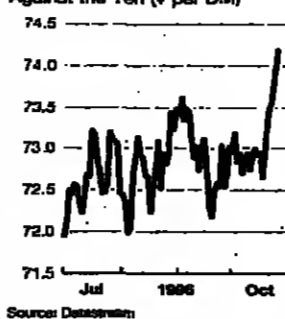
The D-Mark rises and the yen falls

MARKETS REPORT By Simon Kuper

The D-Mark yesterday reached its highest level against the yen since February 1996, boosted by factors ranging from Bundesbank disavowals of interest rate cuts to the Deutsche Telekom share sell-off...

The yen, like the D-Mark, was moved largely by central bank statements yesterday. Mr Yasuo Matsushita, governor of the Bank of Japan, said the Japanese economy was unlikely to accelerate soon...

D-Mark - Against the Yen (Y per DM)



The Bank's move - which came earlier than expected - implied that Italy would be happy with a slight fall in the lira against the D-Mark...

not reinstate the trade gap with Japan. Sterling's 2 pfennig drop to DM2.432 yesterday was largely a result of D-Mark strength...

The Norwegian crown closed the day barely down on its opening level even though Prime minister Gro Harlem Brundtland resigned unexpectedly...

POUND SPOT FORWARD AGAINST THE POUND

Table with columns for Country, Closing mid-point, Change on day, Bid/offer spread, Day's mid low, One month Rate, Three months Rate, One year Rate, Bank of Eng. Index.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns for Country, Closing mid-point, Change on day, Bid/offer spread, Day's mid low, One month Rate, Three months Rate, One year Rate, JP Morgan Index.

CROSS RATES AND DERIVATIVES

Table for EXCHANGE CROSS RATES with columns for Country, Bid, Offer, DM, SF, etc.

Table for D-MARK FUTURES (MM) DM 125,000 per DM with columns for Dec, Jan, Feb, etc.

Table for UK INTEREST RATES with columns for Term, Rate, etc.

Table for SWISS FRANC FUTURES (MM) SF 125,000 per SF with columns for Dec, Jan, Feb, etc.

Table for UK INTEREST RATES with columns for Term, Rate, etc.

Table for BASE LENDING RATES with columns for Bank, Rate, etc.

EMIS EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Rate, Change, % change, etc.

Table for JAPANESE YEN FUTURES (MM) Yen 12.5 per Yen 100 with columns for Dec, Jan, Feb, etc.

Table for STERLING FUTURES (MM) £62,500 per £100 with columns for Dec, Jan, Feb, etc.

Table for EURO-DOLLAR FUTURES (MM) \$1m points of 100% with columns for Dec, Jan, Feb, etc.

Table for EURO-DOLLAR FUTURES (MM) \$1m points of 100% with columns for Dec, Jan, Feb, etc.

Table for US TREASURY BILL FUTURES (MM) \$1m per 100% with columns for Dec, Jan, Feb, etc.

Table for EURO-DOLLAR FUTURES (MM) \$1m points of 100% with columns for Dec, Jan, Feb, etc.

Table for EURO-DOLLAR FUTURES (MM) \$1m points of 100% with columns for Dec, Jan, Feb, etc.

WORLD INTEREST RATES

Table with columns for Money Rates, World Interest Rates, LIBOR FT London, etc.

EURO CURRENCY INTEREST RATES

Table with columns for Money Rates, Euro Currency Interest Rates, etc.

THREE MONTH EURO-BANK FUTURES (LIFE) DM1m points of 100%

Table with columns for Dec, Jan, Feb, etc.

THREE MONTH EURO-BANK FUTURES (LIFE) £1m points of 100%

Table with columns for Dec, Jan, Feb, etc.

THREE MONTH EURO-BANK FUTURES (LIFE) ¥100m points of 100%

Table with columns for Dec, Jan, Feb, etc.

THREE MONTH EURO-BANK FUTURES (LIFE) ¥100m points of 100%

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Table with columns for Dec, Jan, Feb, etc.

Public Notices section containing legal notices and company announcements.

Market Eye advertisement for futures and options trading.

Signal advertisement for real-time financial data.

TENFORE advertisement for financial data services.

COMMODITIES AND AGRICULTURE

Crude oil falls back on US report

MARKETS REPORT

By Philip Coggan and Kenneth Gooding

Crude oil prices fell back again yesterday, in the face of a US report which showed that demand has slipped in the past few weeks in response to the recent price strength...

Mr Fergus MacLeod of NatWest Securities believes the oil price is "at or close to the peak, although you could have a final surge if the weather is very cold"...

Spain's olive farms fear fresh squeeze

In southern Spain's rolling olive groves the word "catastrophe" is in the air - not because of any natural event like the recent five-year drought...



Olive groves near Seville, where regional authorities say there is no need for reform

total of some 1.8m tonnes. Spain contributes about 30 per cent. Olive trees occupy one-tenth of the country's farmland...

past few years, and storage technology has been brought in from the wine industry. "It would be the ruin of the olive business, without benefit for anybody," says Mr Justo Marmol...

for bottlers, is open to fraud. They point the finger mainly at Italy, claiming its production figures are exaggerated. They say oil produced by small Italian growers...

Scientists search for new genes for wheat

By Alison Maitland

Biotechnology must be harnessed to help break through a "yield barrier" in wheat which is preventing production from keeping pace with world population growth...

Low zinc prices force third mine closure in three months

By Kenneth Gooding, Mining Correspondent

Low zinc prices yesterday forced the closure of another mine - the third to be put on "care and maintenance" in three months.

produced as a co-product with zinc - and this had been a deciding factor for some producers. Mr Neil Hawkes, analyst at CRU International consultancy organisation, said there would be more mine closures if smelters increased charges for treating lead concentrates...

Yesterday Asarco, the US group, announced the indefinite closure of its Leadville mine in Colorado, citing depressed prices. About 120 people will be laid off. Leadville produced about 14,000 tonnes of zinc and 5,000 tonnes of lead a year.

48 per cent-owned Bognine mine in Tunisia, after deciding not to make the investment needed to cut costs in the light of present prices. The underground mine started up in 1994 and cost about US\$80m. It produces 38,000 tonnes of zinc and 6,300 tonnes of lead last year.

ironically, smelter charges are falling because "the market is under-supplied and likely to go on that way for some time." However, the lead concentrate market was heading for considerable over-supply when the new \$450m Cannington mine in Queensland, Australia, comes into production next year.

COMMODITIES PRICES

BASE METALS

Table with columns for metal type (Aluminum, Copper, Lead, Nickel, Tin, Zinc), price change, and price per tonne.

Precious Metals continued

Table with columns for metal type (Gold, Silver, Platinum, Palladium), price change, and price per ounce.

GRAINS AND OIL SEEDS

Table with columns for grain type (Wheat, Maize, Soybeans, Barley), price change, and price per bushel/tonne.

SOFTS

Table with columns for soft commodity type (Cocoa, Coffee, Sugar), price change, and price per tonne.

MEAT AND LIVESTOCK

Table with columns for livestock type (Live Cattle, Live Hogs, Pork Bellies), price change, and price per head/cwt.

ENERGY

Table with columns for energy type (Crude Oil NYMEX, Heating Oil NYMEX, Gas Oil NYMEX), price change, and price per barrel/gallon.

PRECIOUS METALS

Table with columns for precious metal type (London Bullion Market Gold, Silver, Platinum), price change, and price per ounce.

FUTURES DATA

Table with columns for futures contract type (Crude Oil, Heating Oil, Gas Oil, Natural Gas), price change, and price per unit.

VOLUME DATA

Table with columns for volume data type (Crude Oil, Heating Oil, Gas Oil, Natural Gas), volume change, and volume per unit.

INDICES

Table with columns for index type (Crude Oil, Heating Oil, Gas Oil, Natural Gas), price change, and index value.

JOTTER PAD

Table with columns for commodity type (Aluminum, Copper, Lead, Nickel, Tin, Zinc), price change, and price per tonne.

CROSSWORD

Crossword puzzle grid with clues for 1-25 across and 1-18 down.

LONDON TRADED OPTIONS

Table with columns for option type (Aluminum, Copper, Lead, Nickel, Tin, Zinc), price change, and price per contract.

LONDON SPOT MARKETS

Table with columns for spot market type (Crude Oil, Heating Oil, Gas Oil, Natural Gas), price change, and price per unit.

Vertical text on the right edge of the page, including 'SPORE COVERSE' and other markings.

Scientists search for new genes for wheat

By Alison Marsden
A team of scientists from the University of Cambridge has identified a new gene that controls wheat's ability to produce a protein called glutenin.

White bread
The scientists found the gene in a wild wheat species called Triticum dicoccoides.

AG
The gene is located on a chromosome that also carries genes for other wheat traits.

CROSSWORD
The scientists are now working to identify the specific protein produced by the gene.

The gene is thought to have been introduced to wheat by a wild ancestor.

The discovery could help breeders develop wheat varieties with improved nutritional qualities.

The scientists are now working to identify the specific protein produced by the gene.

FT MANAGED FUNDS SERVICE

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Bermuda Currency Fund Ltd, Bermuda Investment Fund Ltd, and Bermuda Growth Fund Ltd.

BERMUDA (REGULATED)**

Table listing regulated Bermuda funds including Bermuda Currency Fund Ltd, Bermuda Investment Fund Ltd, and Bermuda Growth Fund Ltd.

GUERNSEY (REGULATED)**

Table listing regulated Guernsey funds including Guernsey Currency Fund Ltd, Guernsey Investment Fund Ltd, and Guernsey Growth Fund Ltd.

GUERNSEY (SIB RECOGNISED)

Table listing SIB recognised Guernsey funds including Guernsey Currency Fund Ltd, Guernsey Investment Fund Ltd, and Guernsey Growth Fund Ltd.

AM INVESTMENT MANAGERS (GUERNSEY) LTD

Table listing AM Investment Managers (Guernsey) Ltd funds including AM Bermuda Currency Fund, AM Bermuda Investment Fund, and AM Bermuda Growth Fund.

SAUDI INTERNATIONAL (GUERNSEY) LTD

Table listing Saudi International (Guernsey) Ltd funds including Saudi International Growth Fund, Saudi International Income Fund, and Saudi International Bond Fund.

IRELAND (SIB RECOGNISED)

Table listing SIB recognised Ireland funds including Ireland Currency Fund, Ireland Investment Fund, and Ireland Growth Fund.

IRELAND (REGULATED)**

Table listing regulated Ireland funds including Ireland Currency Fund, Ireland Investment Fund, and Ireland Growth Fund.

NEW ASSET MANAGEMENT (GUERNSEY) LTD

Table listing New Asset Management (Guernsey) Ltd funds including New Asset Management Growth Fund, New Asset Management Income Fund, and New Asset Management Bond Fund.

GLOBAL ASSET MANAGEMENT (GUERNSEY) LTD

Table listing Global Asset Management (Guernsey) Ltd funds including Global Asset Management Growth Fund, Global Asset Management Income Fund, and Global Asset Management Bond Fund.

GLOBAL ASSET MANAGEMENT (SIB RECOGNISED)

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AM INVESTMENT MANAGERS (GUERNSEY) LTD

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AM INVESTMENT MANAGERS (SIB RECOGNISED)

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Advertisement for Professional Display Systems featuring a photo of a man and text: '...in less time than it took to turn the page. You haven't seen videoconferencing until you've seen ImageTel. There are no jerky robotic movements, no lip sync problems and no echoes or reverberations. If you'd like to spend more time doing business and less time sitting on a plane call Professional Display Systems: 01483 757118. Email: image@pds.co.uk'

Offshore Funds

Large table listing various offshore funds including Bermuda, Guernsey, and Ireland funds, with columns for fund name, currency, and performance metrics.

Offshore Funds and Insurances

FT Cyteline Unit Trust Prices are available over the telephone. Call the FT Cyteline Help Desk on (444 171) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

LUXEMBOURG (SIB RECOGNISED)

Table of fund performance data for Luxembourg, including columns for fund name, SIC, and various performance metrics like NAV and returns.

Table of fund performance data for FT Managed Funds, including columns for fund name, SIC, and various performance metrics like NAV and returns.

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For further information contact the FT Cyteline Help Desk on (444 171) 873 4378

FT Managed Funds Service is a registered trademark of FT Managed Funds Service Ltd.

Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Main table containing FT Managed Funds Service listings, including columns for fund names, prices, and performance metrics. Includes sub-sections for 'Other Offshore Funds' and 'Managed Funds Notes'.

Advertisement for FORTE Posthouse, featuring a large 'F' logo and text: 'Shouldn't your company spend less on hotel bills? With over 80 hotels, Posthouse is the largest network in the UK and Ireland...'

OTHER OFFSHORE FUNDS

Table listing various offshore funds such as ATSP Management Ltd, AXA Europe, and others, with their respective prices and performance data.


MANAGED FUNDS NOTES

Notes regarding fund management, including information about the FT Cityline Help Desk, fund performance, and contact details for investors.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES	CHEMICALS - Cont.	ELECTRONIC & ELECTRICAL EQPT - Cont.	EXTRACTIVE INDUSTRIES - Cont.	HOUSEHOLD GOODS - Cont.	INVESTMENT TRUSTS - Cont.
ALCOHOLIC BEVERAGES Allied Domecq PLC 12.50 Heineken PLC 12.50 ...	CHEMICALS - Cont. Akzo Nobel PLC 12.50 ...	ELECTRONIC & ELECTRICAL EQPT - Cont. Philips Electronics PLC 12.50 ...	EXTRACTIVE INDUSTRIES - Cont. Anglo American PLC 12.50 ...	HOUSEHOLD GOODS - Cont. Hoover PLC 12.50 ...	INVESTMENT TRUSTS - Cont. FTSE 100 Index 12.50 ...
BANKS, MERCHANT HSBC PLC 12.50 ...	DISTRIBUTORS ...	ENGINEERING ...	FOOD PRODUCERS ...	INSURANCE ...	INVESTMENT TRUSTS ...
BANKS, RETAIL ...	DIVERSIFIED INDUSTRIALS ...	ENGINEERING - Cont. ...	FOOD PRODUCERS - Cont. ...	INVESTMENT TRUSTS ...	INVESTMENT TRUSTS ...
BREWERIES, PUBS & REST ...	ELECTRICITY ...	ENGINEERING, VEHICLES ...	GAS DISTRIBUTION ...	INVESTMENT TRUSTS ...	INVESTMENT TRUSTS ...
BUILDING & CONSTRUCTION ...	ELECTRONIC & ELECTRICAL EQPT ...	EXTRACTIVE INDUSTRIES ...	HEALTH CARE ...	INVESTMENT TRUSTS ...	INVESTMENT TRUSTS ...
BUILDING MATS. & MERCHANTS ...	EXTRACTIVE INDUSTRIES ...	HOUSEHOLD GOODS ...	HOUSEHOLD GOODS ...	INVESTMENT TRUSTS ...	INVESTMENT TRUSTS ...
CHEMICALS ...	EXTRACTIVE INDUSTRIES ...	HOUSEHOLD GOODS ...	HOUSEHOLD GOODS ...	INVESTMENT TRUSTS ...	INVESTMENT TRUSTS ...

Rockwell supplies virtually every European car manufacturer with automotive components and systems.



مكتبة النجف

مركز من الأعمال

LONDON SHARE SERVICE

BY TRUSTS SPLIT CAPITAL - Cont.

Table listing various trusts and their share prices, including columns for company names and prices.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their share prices.

INVESTMENT COMPANIES

Table listing investment companies and their share prices.

LEISURE & HOTELS

Table listing leisure and hotel companies and their share prices.

LEISURE & HOTELS - Cont.

Continuation of leisure and hotel companies table.

LIFE ASSURANCE

Table listing life assurance companies and their share prices.

MEDIA

Table listing media companies and their share prices.

OTHER FINANCIAL

Table listing other financial companies and their share prices.

PAPER, PACKAGING & PRINTING - Cont.

Continuation of paper, packaging and printing companies table.

PHARMACEUTICALS

Table listing pharmaceutical companies and their share prices.

PROPERTY

Table listing property companies and their share prices.

PROPERTY - Cont.

Continuation of property companies table.

RETAILERS, FOOD

Table listing retailers and food companies and their share prices.

RETAILERS, GENERAL

Table listing general retailers and their share prices.

SUPPORT SERVICES

Table listing support services companies and their share prices.

SUPPORT SERVICES - Cont.

Continuation of support services companies table.

TELECOMMUNICATIONS - Cont.

Continuation of telecommunications companies table.

TOBACCO

Table listing tobacco companies and their share prices.

TRANSPORT

Table listing transport companies and their share prices.

WATER

Table listing water companies and their share prices.

AIM - Cont.

Continuation of AIM (Alternative Investment Market) companies table.

AMERICANS

Table listing American companies and their share prices.

CANADIANS

Table listing Canadian companies and their share prices.

SOUTH AFRICANS

Table listing South African companies and their share prices.

GUIDE TO LONDON SHARE SERVICE: Prices for the London Share Service delivered by ERM, part of Financial Times Information. Company classifications are based on those used for the FTSE Actuaries Share Index.



LONDON STOCK EXCHANGE

US and European worries hit UK equities

MARKET REPORT
By Steve Thompson,
UK Stock Market Editor

Renewed uneasiness about Wall Street and heavy comments about German interest rates led to another unsettled performance by UK stocks yesterday. The Dow Jones Industrial Average fell through 6,000 shortly after the London market closed.

BSkyB under pressure

BSkyB was the biggest faller in the FTSE 100, slipping 4.2% to 636p following bad news for the satellite broadcaster and reports that a substantial amount of the stock could be released into the market by Mr Rupert Murdoch's News Corp, which owns 40 per cent of the satellite broadcaster.

There had been good early support for the equity market from gilt, which managed to post small gains at the long end of the market in the wake of lower than expected retail sales for September. But that market, too, came under late pressure with the 20-year gilt off a net 5 ticks.

BSkyB under pressure

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force on alert for a sizeable deal involving BSKYB. Reports came in subsequently of a share issue from News Corp, exchangeable into BSKYB stock.

BSkyB under pressure

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Shell Transport continued to reflect the market's belated response to much better-than-expected third-quarter numbers from US subsidiary Shell Oil. Oil stocks were among the best performing sectors in London, with BP and Enterprise also attracting big support.

BSkyB under pressure

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Water stocks were heavily traded, with one institution said to have switched out of Severn Trent and into South West Water ahead of an expected statement from the Monopolies Commission regarding bids for South West from Severn Trent and Wessex.

BSkyB under pressure

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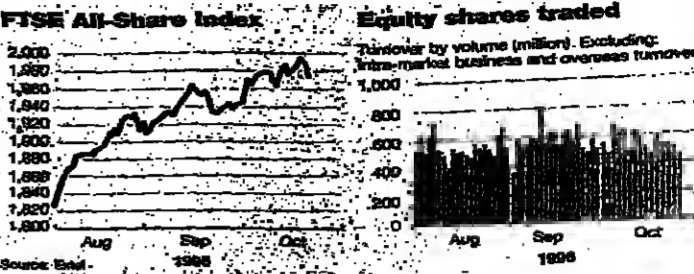


Table with columns: Indices and ratios, FTSE 100, FTSE 250, FTSE All-Share, FTSE All-Share yield, Best performing sectors, Worst performing sectors.

Table with columns: FTSE 100 INDEX FUTURES (LIFE) £25 per full index point, FTSE 250 INDEX FUTURES (LIFE) £10 per full index point, FTSE 100 INDEX OPTION (LIFE) £10 per full index point.

Table with columns: Major Stocks Yesterday, Volume, Closing, Daily Change.

Mediterranean Forum Crans-Montana advertisement. Text: 'Meet the leaders. The decision makers, thinkers and movers in business and in politics are gathering in Malta to discuss, with you, the future development of the Euro-Mediterranean area.' Includes logos for Crans-Montana, UNIDO, UNESCO, and various sponsors like Air Malta and Bank of Valletta.

LONDON RECENT ISSUES: EQUITIES

Table listing recent equity issues with columns: Issue, Amt, Price, High, Low, Div, Gs, P/E.

FT GOLD MINES INDEX

Table with columns: Oct 23, Oct 22, Oct 21, Oct 16, 1996, High, Low.

FTSE Actuaries Share Indices

Table with columns: Day's change, Oct 23, Oct 22, Oct 21, Oct 16, 1996, Div, Net, P/E, Xd, Ret, Total.

FTSE Actuaries Industry Sectors

Table with columns: Day's change, Oct 23, Oct 22, Oct 21, Oct 16, 1996, Div, Net, P/E, Xd, Ret, Total.

Hourly movements

Table with columns: Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, High/Low.

FTSE 350 Industry baskets

Table with columns: Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, Close, Previous Change.

TRADING VOLUME

Table listing trading volume for various stocks with columns: Stock, Volume, Closing, Daily Change.

FTSE 100 INDEX FUTURES (LIFE) £25 per full index point

Table with columns: Dec, Mar, Jun, Open, Set price, Change, High, Low, Est. vol, Open int.

FTSE 250 INDEX FUTURES (LIFE) £10 per full index point

Table with columns: Dec, Mar, Jun, Open, Set price, Change, High, Low, Est. vol, Open int.

FTSE 100 INDEX OPTION (LIFE) £10 per full index point

Table with columns: Dec, Mar, Jun, Open, Set price, Change, High, Low, Est. vol, Open int.

Hourly movements

Table with columns: Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, High/Low.

FTSE 350 Industry baskets

Table with columns: Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, Close, Previous Change.

FTSE International logo and contact information. Text: 'FTSE International Ltd, 15, Broad Street, London W1P 3AD, UK. Tel: +44 (0)20 7601 2000. Fax: +44 (0)20 7601 2001. Website: www.ftse.com'

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE (Oct 23 / Sto)

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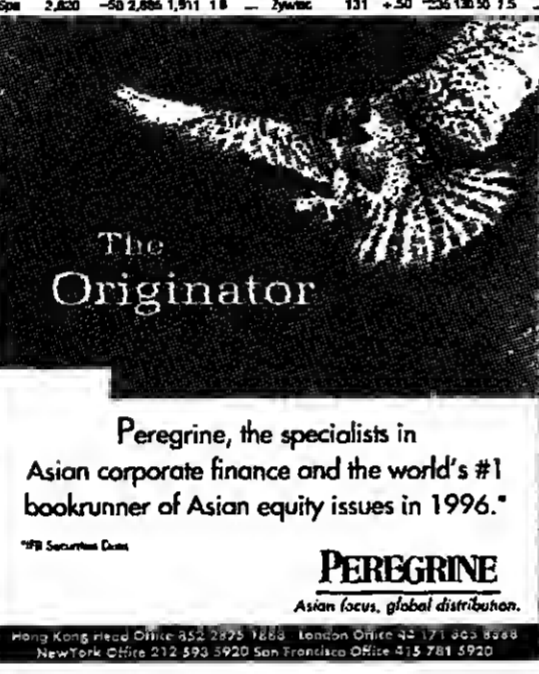
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INDICES

INDICES

US INDICES

US INDICES

US INDICES

INDEX FUTURES

INDEX FUTURES

INDEX FUTURES

INDEX FUTURES

INDEX FUTURES

Small print and disclaimers at the bottom of the page.

4 pm close October 23

NEW YORK STOCK EXCHANGE PRICES

Main table of stock prices with columns for stock symbols, prices, and changes. Includes sub-sections for 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

Advertisement for Hewlett-Packard with the slogan 'Time waits for no one.' and the URL 'http://www.hp.com/go/computing'.

Handwritten signature or scribble at the bottom center of the page.

NYSE PRICES

Table of NYSE stock prices including columns for stock name, price, change, and volume. Includes sub-sections for FT 100, FT 500, and FT 1000.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market stock prices including columns for stock name, price, change, and volume.

AMEX PRICES

Table of AMEX stock prices including columns for stock name, price, change, and volume.

Advertisement for Switzerland with text: 'Have your FT hand delivered in Switzerland. Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day.'

Continuation of stock price tables from the previous page, including various market indices and individual stock listings.

US shares stay on downgrade

AMERICAS

US shares continued to retreat from recent highs in early trading, although corporate earnings reports continued to be better than analysts' forecasts, writes Lisa Branstetter in New York.

next month, he said. "Now all we have to look forward to for the next several weeks is the election and minor economic news."

EUROPE A savage response to disappointing company news was broadened by a weaker DM-dollar rate and after the Bundesbank's chief economist, Mr Otmair Issing, said that there was no reason to expect further reductions in key German interest rates.

EUROPE

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FTSE Actuaries Share Indices

Table with columns: Index Name, 10.30, 11.00, 12.00, 13.00, 14.00, 15.00, Close. Includes FTSE 100, FTSE 250, FTSE 1000.

THE EUROPEAN SERIES

Table with columns: Country, Index Name, 10.30, 11.00, 12.00, 13.00, 14.00, 15.00, Close. Includes France, Germany, Italy, Spain, UK, etc.

ASIA PACIFIC

Pakistan's package, a rupee devaluation and the imposition of extra taxes brought KARACHI's speculators out to cover their short positions for the second day in succession and the KSE-100 index rose 89.94, or 2.8 per cent, to 1,432.57 after Tuesday's 2.1 per cent gain.

AFRICA

Golds continued to make the running in Johannesburg on a day of narrow trading and dull volumes. In spite of the early shake-

S Africa continues to go for gold

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out on Wall Street, the overall index climbed 5.6 to 7,036.4. Industrials added 11.2 to 8,281.4 and the golds index gained 18.9 to 1,727.8.

Golds rode up on the improving bullion price, although the sector came off the top towards the close of the session.

Fiscal package boosts Karachi again

Pakistan's package, a rupee devaluation and the imposition of extra taxes brought KARACHI's speculators out to cover their short positions for the second day in succession and the KSE-100 index rose 89.94, or 2.8 per cent, to 1,432.57 after Tuesday's 2.1 per cent gain.

Keisei Electric Railway, the day's most actively traded issue and a popular speculative stock, attracted strong buying interest. The private rail operator rose Y10 to Y1,150 on media reports of the imminent stock exchange listing of Oriental Land, in which it is a leading shareholder. Oriental Land is the operator of Japan's most successful theme park, Tokyo Disneyland.

Large-capital steels and selected blue chips were sold by foreign securities companies, with Kobe Steel down Y3 to Y2,771. Oki Electric Industry slid Y11 to Y982 and Toshiba off Y6 to Y792.

Mindiro, which on Tuesday reported healthy interim earnings for the first-half to September, moved up from Y11 to Y702. However, other leading camera makers lost ground, with Nikon falling Y30 to Y1,280 and Canon off Y30 to Y2,180.

NEW ZEALAND Wellington was hit by another bout of political uncertainty and the 40 Capital index closed 29.28 lower at 2,320.99. NZ Telecom retreated 30 cents to NZ\$7.52.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Large table with columns: Market, No. of stocks, Dollar terms (Oct 18 1996, % Change over week, % Change on Dec '95), Local currency terms (Oct 18 1996, % Change over week, % Change on Dec '95). Lists regions like Latin America, Asia, Europe, etc.

Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base date: Dec 1988-100 except those noted which are (1) Feb 1 1991; (2) Dec 31 1992; (3) Jan 5 1990; (4) Dec 31 1992; (5) Jan 1 1991; (6) Nov 6 1992; (7) Sep 26 1990; (8) Mar 1 1991; (9) Dec 31 1992; (10) Dec 31 1993; (11) Dec 31 1992; (12) Dec 31 1992; (13) Dec 31 1992; (14) Dec 31 1992; (15) Aug 2 1992; (16) July 2 1993.

Turkey hit an all-time closing high yesterday to cement its position as this year's second fastest moving emerging stock market after Venezuela, writes Jeffrey Brown.

The Istanbul SE composite index, up by around a third over the past month, closed at 53,772.53, up 2,267.92.

multiple like this can always find ready takers," said one specialist. The recent budget held out the promise of economic reform, notably a widening tax net. And although the new government, installed in July, has a very narrow mandate, most observers sense that change is slowly on the way.

The 225 Index closed 4153 lower at 21,982.15 after trading between 20,791.49 and 21,089.74. Volume stayed low at an estimated 287m shares, against Tuesday's 278m.

FT/S&P ACTUARIES WORLD INDICES

Table with columns: REGIONAL MARKETS, US Dollar, Day's Change, Local Currency, Local Div. Yield, Local Currency % chg on day, Local Div. Yield, Local Currency % chg on day, DOLLAR INDEX. Lists regional indices like Australia, Belgium, Brazil, etc.

This announcement applies to a matter of record only.

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Jeffrey Brown

